Swiss Life

TCFD Report 2023

Climate-related disclosure

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Foreword

Swiss Life is committed to the goals of the Paris Agreement and hence also to the transition to a low-carbon and climate-resilient economy. For this reason, Swiss Life has been publishing an independent climate report since 2021 as a supplement to its sustainability reporting. The report, which is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), shows how Swiss Life is addressing climate change and what progress has been made.

The climate strategy is part of Swiss Life's sustainability strategy and is thus also an element in the Group-wide strategic programme "Swiss Life 2024". The focus is on those areas in which direct influence can be exerted and in which a corresponding impact can be achieved. The associated targets include a 35% reduction in CO_2 emissions per full-time equivalent (FTE) by 2024 compared to 2019. The company is also taking responsibility in its capacity as a major real estate owner: for properties directly held in the Proprietary Insurance Asset Management (PAM) portfolio, it is targeting a 20% reduction in carbon intensity by 2030 compared to 2019.

Continuous efforts are being made to achieve the targets set under the climate strategy and to further refine best practices. Amongst other developments, the 2023 reporting year saw progress in terms of data quality and transparency in particular. By acquiring certificates corresponding to the measured, unavoidable CO_2 emissions from operational activities, Swiss Life has supported selected climate change mitigation projects in its core markets since 2022. Therefore, operational activities at Swiss Life have been net zero since 2022. The directly held properties in the PAM portfolio are well positioned in terms of carbon intensity compared to the average real estate stock of the countries in which Swiss Life operates.

Another element in the sustainability and climate strategy is the integration of sustainability and climate aspects into the existing risk management structures in order to ensure the future resilience of Swiss Life's business model. Moreover, Swiss Life is convinced that the transition to a low-carbon and climate-resilient economy also offers opportunities. Thus, wherever appropriate, it is also integrating sustainability and climate factors into its product and service offering and into its advisory activities.

In line with legal requirements for non-financial reporting in Switzerland – which, among other things, are based in turn on the "double materiality" principle – this report now addresses aspects of the materiality of impacts on relevant stakeholder groups in addition to the aspects of climate-related financial risks (financial materiality).

Tancredi Tommasina
Group Chief Risk Officer

Christian Amon
Head of Group Sustainability

TCFD Framework Assessment

Swiss Life's climate reporting is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which were prepared under the leadership of the G20 Financial Stability Board (FSB). Swiss Life's climate reporting also meets the regulatory requirements of the Swiss Financial Market Supervisory Authority (FINMA). These requirements currently focus on climate-related financial risks or "financial materiality".

In addition to the regulatory requirements, legal requirements for non-financial reporting apply in Switzerland as of 2024 and with reference to the 2023 financial year (indirect counter-proposal to the Responsible Business Initiative). In this context, the concept of "double materiality" is to be taken into account, among other things. Double materiality comprises financial materiality plus the impact materiality for relevant stakeholder groups. Thus in addition to the aspects of financial materiality previously covered, this climate report now also addresses aspects of impact materiality for stakeholders with regard to climate.

The approach of the TCFD framework encompasses four core elements and acts as a guide for companies on addressing and disclosing climate-related risks and opportunities. The resulting transparency and comparability in the area of climate-related risks and opportunities can serve as the basis for an orderly transition to a low-carbon and climate-resilient economy. From 2024, the FSB's International Sustainability Standards Board (ISSB) will assume responsibility for monitoring the progress of companies' climate-related disclosures.

Core elements of the TCFD recommendations

Governance
The organisation's governance around climate-related risks and opportunities

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning

Risk Management
The processes used by the organisation to identify, assess and manage climate-related risks

Metrics and Targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities

Source: TCFD 2017

For several years now, Swiss Life has been publishing a Sustainability Report within its Annual Report in accordance with international standards. This comprehensive reporting is supplemented by the publication of the climate report.

Governance

Swiss Life's governance structure

Swiss Life structures its corporate governance openly and transparently in the interests of its shareholders, policyholders and employees, taking account of leading national and international standards.

The Board of Directors is responsible for all matters that are not reserved for the consideration of the Annual General Meeting (formally the supreme decision-making body of a public limited company) under the terms of the law (Art. 698 CO) or by the company's Articles of Association. In line with its non-transferable duties prescribed by law, the Board of Directors is responsible, in particular, for the ultimate direction of the Group, as well as the supervision of the Corporate Executive Board.

The Organisational Regulations of Swiss Life Holding provide for the comprehensive delegation of executive management responsibilities to the Group CEO and the Corporate Executive Board, with the exception of those duties reserved for other bodies in accordance with the law, the Articles of Association or the Organisational Regulations themselves.

The Group CEO directs the business operations of the Group. The Group CEO, together with the Corporate Executive Board, works out the long-term objectives and strategic orientation of the Group for submission to the Board of Directors and, based on the resolutions of the Board of Directors, ensures the goal-oriented leadership and development of the Group. The Corporate Executive Board can form committees to address specific areas and can delegate competencies to such Corporate Executive Board committees.

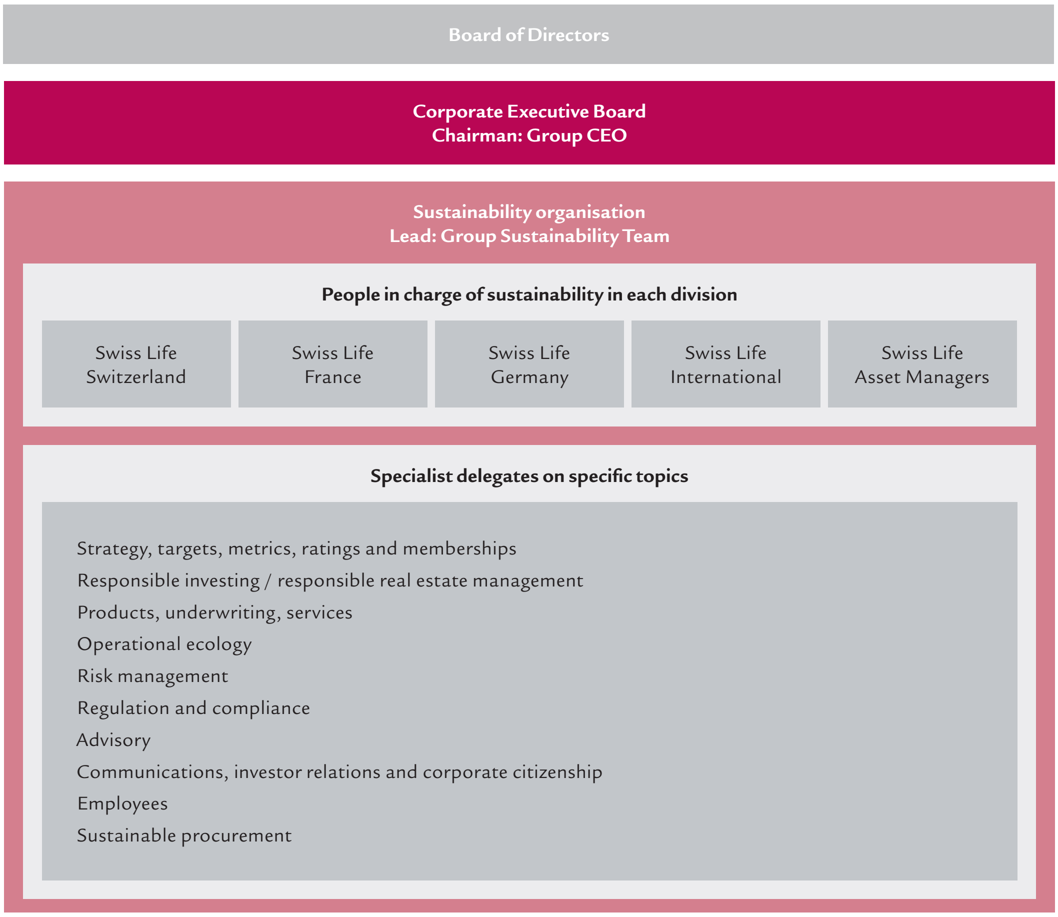
Further information can be found in the Annual Report, available at www.swisslife.com/ar2023 ("Corporate Governance" section).

Organisational implementation of sustainability

The key sustainability principles of the Swiss Life Group and the roles and responsibilities within the sustainability organisation are set out in a directive, which forms part of the Group-wide directives system.

The highest management body responsible for implementing the sustainability strategy is the Corporate Executive Board, chaired by the Group CEO. The Board of Directors, as the highest authority for strategic issues, is regularly informed about measures and progress as well as reporting and due diligence obligations in the area of sustainability and is involved in the decision-making process.

Organisational structure



The sustainability organisation is aligned to Swiss Life's multi-divisional organisation: it comprises sustainability delegates from all divisions as well as specialist delegates from various areas, including Group Finance and Risk. The sustainability delegates from the divisions ensure that the Group-wide sustainability strategy is implemented on site with corresponding measures and initiatives, taking account of local regulatory requirements. They also ensure that the management teams and divisional CEOs are involved in the decision-making process. Swiss Life has defined ten subject areas for specialist management which are assigned to corresponding specialist delegates and in which representatives of the divisions participate. In total, Swiss Life Group's sustainability organisation comprised around 72 FTE in 2023.

The Swiss Life Group Sustainability team is responsible for the coordination, steering and implementation of measures at Group level. This team ensures that the focus areas defined by Swiss Life's Group-wide sustainability strategy are integrated within and implemented by the divisions. Furthermore, the team ensures the involvement of the Corporate Executive Board as a steering body, reports on progress and engages in dialogue with key stakeholder groups at Group level. The Swiss Life Group Sustainability Team is part of the Corporate Functions division and reports to the Head of Group Communications, who in turn reports to the Group CEO.

With its Group-wide sustainability strategy, Swiss Life seeks to retain strong ESG risk management while exploiting opportunities and solutions. The Group CRO reports to the Group CFO and the chairman of the Investment and Risk Committee of the Board of Directors.

As an integral part of Swiss Life's risk strategy and risk processes, sustainability issues are regularly addressed at the committees of the Board of Directors and by the Board of Directors as a whole. Sustainability topics are regularly discussed by the Board of Directors and its Investment and Risk Committee, particularly in the context of self-assessing the risk situation and capital requirements (Own Risk and Solvency Assessment, ORSA) and reporting to the Swiss Financial Market Supervisory Authority (FINMA).

Within the Corporate Executive Board, the Group CIO is, among other things, responsible for the investment strategy as well as the further development and implementation of the responsible investment approach of Swiss Life Asset Managers. Responsible investment governance at Swiss Life Asset Managers is geared to integrating ESG into the core asset management processes.

The ESG Board of Swiss Life Asset Managers deals with key ESG matters and advises the Executive Board of Swiss Life Asset Managers and other bodies on ESG-related issues, taking into account the multi-local organisation of Swiss Life Asset Managers. The ESG Board is headed by the Head of ESG at Swiss Life Asset Managers, who in turn reports to the Group CIO.

The ESG team at Swiss Life Asset Managers devises the responsible investment strategies and guidelines in collaboration with and according to the requirements of the divisions and the Swiss Life Group. In addition, the ESG team at Swiss Life Asset Managers supports the implementation of the investment policies and strategies within existing processes. The Swiss Life Asset Managers ESG team also plays a key role in sharing knowledge on sustainability in asset management.

The variable compensation components are linked to the strategic objectives of the Group and the individual divisions, and the associated financial and human resources related targets. Qualitative goals relate in particular to project, risk management or compliance goals and to leadership, sustainability and ESG requirements. Personal performance based on the specified quantitative and qualitative objectives is assessed annually in the employee appraisal procedure implemented throughout the Group (Group Performance System, GPS).

Further information can be found from page 18 onwards (“Risk Management” section), in the Sustainability Report, available at www.swisslife.com/sustainabilityreport (“Sustainability Strategy” section), in the Responsible Investment Report, available at www.swisslife-am.com/rireport and in the Annual Report (“Corporate Governance” section).

Climate Strategy

The climate strategy forms an integral part of Swiss Life's sustainability strategy and the Group-wide "Swiss Life 2024" programme. The sustainability strategy is oriented towards four fields of action: own business behaviour, the role as an asset owner and manager, the insurance and advisory business, and the role of employer. The first three areas are particularly relevant for Swiss Life's climate strategy. In addition, Swiss Life is involved in dedicated networks and associations. For its sustainability and climate goals, Swiss Life prioritises those areas over which it exerts direct influence and in which it can have a corresponding impact.

Swiss Life recognises that climate change, if left unmitigated, will have negative effects on society and the global economy. Swiss Life wishes to contribute to the transition to a low-carbon and climate-resilient economy in line with the Paris Agreement. In addition, Swiss Life is addressing the increasing transparency requirements among stakeholder groups (e.g. customers, regulators, supervisory authorities, investors and employees) regarding products and services, and it expects increasing demand for sustainable products. Moreover, Swiss Life's investments in securities, real estate and infrastructure could be affected by the physical impacts of climate change and the transition to a low-carbon and climate-resilient economy.

Appropriate management of potential climate-related risks can mitigate or prevent negative financial impacts and/or adverse effects on stakeholder groups of relevance to the company. Swiss Life therefore aims to manage potential climate-related risks in the interests of all relevant stakeholder groups ("double materiality"), taking into account the fact that expectations may vary for each stakeholder group.

Consequently, Swiss Life is integrating sustainability and climate-related aspects into its existing risk management processes for steering its business, and is assessing the actual and potential impacts of climate-related risks and opportunities on its business, strategy and financial planning. As climate-related risks are drivers for existing risk categories, Swiss Life can build on its existing comprehensive risk management standards for the identification, assessment and appropriate management of climate-related risks and opportunities.

Information on Swiss Life's comprehensive risk management standards is available from page 18 onwards ("Risk Management" section). From page 21 onwards ("Metrics and Targets" section) a selection of supporting metrics can be found.

Summary of potential impacts of climate-related risks on Swiss Life's risk categories

Risk categories	Transition risks[1]	Physical risks[2]
Market, credit and counterparty risk (Investments)	Potentially	Potentially
Insurance risk (Underwriting)	Unlikely	Unlikely
Operational, reputational and strategic risk	Potentially	Potentially

[1] Depends on the progress of the transition to a low-carbon and climate-resilient economy and the stringency of national regulatory measures; especially for companies with a high dependence on fossil fuels or high carbon intensity
[2] Depends on the success of the measures in countering climate change; especially at locations where extreme weather events and chronic changes caused by climate change occur more frequently and insufficient infrastructure to respond to these events is in place

Physical risks and opportunities relate to the manifestation of acute and chronic changes in climate. Acute changes are climate-related natural disasters, such as extreme precipitation or drought. Chronic changes are gradual changes in the climate, for example the rise in temperatures, which in turn could cause a rise in the sea level or chronic heatwaves. Transition risks and opportunities relate to impacts associated with the transition to a low-carbon and climate-resilient economy, such as incisive climate policy measures, changed customer preferences or disruptive technological breakthroughs.

Depending on how the transition to a low-carbon and climate-resilient economy progresses, the effects of climate change already in evidence today – as well as the measures taken to mitigate climate change – may change in the short, medium and long term.

Time horizons of climate-related risks and opportunities for Swiss Life

Short term	Medium term	Long term
Next 0–3 years	Next 3–10 years (Including up to 2030)	Next 10+ years (Including up to 2050)
For example aligned with the strategic planning horizon or the ORSA	For example aligned with Swiss Life's carbon intensity reduction target for the directly held PAM real estate portfolio or the current climate policy milestones	For example aligned with transaction decisions for investments with longer time horizons, such as real estate and infrastructure investments or current climate policy developments

For internal analyses of climate-related risks and opportunities, Swiss Life currently relies on a definition of the short-term time horizon that goes hand in hand with the strategic planning horizon and ORSA. The medium-term time horizon is currently based on the carbon intensity reduction target for the directly held PAM real estate portfolio or more generally on the current climate policy milestones. The definition of the long-term time horizon goes together with the transaction decisions for investments with longer time horizons, such as real estate and infrastructure investments, and is geared to current climate policy developments.

In business activities

Swiss Life seeks to continuously reduce CO_2 emissions per FTE in office buildings for its own use and in activities connected with its operations. At present it is doing so primarily by purchasing electricity from sustainably produced sources and by adjusting travel activities. Since 2022, Swiss Life has also promoted climate change mitigation measures in the form of certified projects in its core European markets to the extent of the measured, unavoidable CO_2 emissions from operations. These contribute not only to reducing CO_2 but also to preserving biodiversity, for example through forest conservation and reafforestation or the production of biochar. Therefore, operational activities at Swiss Life have been net zero since 2022.

Further information can be found from page 21 onwards (“Metrics and Targets” section) and in the Sustainability Report, available at www.swisslife.com/sustainabilityreport (“Climate Change Mitigation & Operational Ecology” section).

As an asset owner and manager

As an asset owner and manager, sustainability considerations in general and climate change considerations in particular are an integral part of Swiss Life’s investment strategy, investment processes and investment product development. Swiss Life strives to manage the assets entrusted to it in a manner that takes into account physical and transition risks and seizes opportunities arising from the transition to a low-carbon and climate-resilient economy.

Furthermore, Swiss Life offers its clients investment products and services based on sustainability aspects, such as energy efficiency and environmental protection, which take into account the clients’ individual needs and preferences. These investment products comprise equities and bonds plus real estate and infrastructure investments. In addition, third-party clients are advised on climate-related risks and opportunities with due consideration of local regulatory requirements.

Both the Swiss Life Group and the Swiss Life Asset Managers division are signatories to the Principles for Responsible Investment (PRI). Around 90% of the total assets managed by Swiss Life Asset Managers follow at least one responsible investment approach as per the current definition of PRI. The remaining assets under management are investment products such as mortgages and money market instruments. Due to the product structure and lack of data, it is not yet possible to take ESG criteria into account. The Swiss Life Asset Managers Responsible Investment Policy can be viewed at www.swisslife-am.com/ri-policy.

The PRI definition includes “Screening”, “ESG Integration”, “Thematic Investing”, “Stewardship” and “Impact Investing”. The measures entailed by the responsible investment approach of Swiss Life Asset Managers, which can be categorised as “Screening”, “ESG Integration” and “Thematic Investing,” are applied in different ways to the PAM portfolio and to third-party business.

As an asset owner and manager, Swiss Life has various ways of exerting influence with varying degrees of impact on the investments made by it or on its behalf. The insurance divisions delegate a portion of their investment activities to Swiss Life Asset Managers.

In the context of its PAM portfolio – securities, real estate and infrastructure – Swiss Life’s ambition is to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development and thus contribute to a central goal of the Paris Agreement. Swiss Life is already well positioned today in terms of the weighted average carbon intensity of the PAM securities portfolio. Swiss Life wishes to maintain this position as part of the ongoing strategic programme. In its direct sphere of influence, Swiss Life aims to reduce the carbon intensity of its directly held PAM real estate portfolio.

Climate-related measures in Swiss Life Asset Managers' responsible investment approach as applied to Swiss Life Group's PAM portfolio, based on the relevant categories as defined by PRI

Asset classes	Screening	ESG Integration	Thematic Investing
Real estate		– Consideration of climate indicators in risk and investment management (e.g. Principal Adverse Impacts, PAIs under the Sustainable Finance Disclosure Regulation, SFDR) – Regular review of climate-related issues with potential impacts on investments (e.g. via Paris Agreement Capital Transition Assessment, PACTA)	– For its directly held PAM real estate portfolio, Swiss Life is pursuing a carbon intensity reduction target for the period to 2030
Securities	– Monitoring of climate metrics such as carbon intensity of sovereign and corporate bonds – Exclusion criteria, including a threshold for coal	– Consideration of climate metrics in risk and investment management (e.g. SFDR PAIs) – Regular review of climate-related issues with potential impacts on assets (e.g. via PACTA)	– Portions of the new investments will be actively used to promote climate-friendly technologies, projects and initiatives as part of a green investment[1] programme
Infrastructure	– Exclusion criteria, including a threshold for coal	– Consideration of climate metrics in risk and investment management (e.g. SFDR PAIs) – Regular review of climate-related issues with potential impacts on investments – Climate-related risk assessment of new infrastructure investments	– The infrastructure funds make targeted investments in renewable energy ("clean energy funds")

[1] In this context, green investments comprise green, social and sustainable bonds that are in line with the Green Bond Principles, the Social Bond Principles or the Sustainability Bond Guidelines of the International Capital Market Association (ICMA).

Swiss Life Asset Managers is a member of the Net Zero Asset Managers initiative (NZAMi) and includes the carbon intensity target of the directly held PAM real estate portfolio in its reporting in the context of this membership. In addition, Swiss Life Asset Managers conducts a climate-related dialogue with selected companies in which investments have been made as part of its total assets under management. This can be assigned to the PRI category "Stewardship" and is also included in the reporting as part of Swiss Life Asset Managers' NZAMi membership. With regard to the PRI category "Impact Investing", Swiss Life is currently examining possible courses of action.

For the prevention of "greenwashing", Swiss Life emphasises clear and transparent communication with its stakeholders in which sustainability aspects, including climate-related aspects are addressed. In the case of investment products in particular, it ensures that adequate control mechanisms exist and that definitions are based, where appropriate, on established industry standards. These control mechanisms include, for example, monthly reports depicting the key sustainability aspects of a portfolio and serving as a basis for discussion in certain bodies (e.g. the Risk Committee). The reports and publications of the EU-domiciled ESG and Sustainable Impact funds all comply with the SFDR transparency requirements. Swiss Life also meets the current regulatory and supervisory requirements of the respective jurisdictions in the European Union as well as those of FINMA.

Further information can be found from page 21 onwards ("Metrics and Targets" section), in the Sustainability Report, available at www.swisslife.com/sustainabilityreport ("Sustainability as an Asset Owner and Manager" section) and the Responsible Investment Report, available at www.swisslife-am.com/rireport.

In insurance and advisory

Swiss Life offers its customers a wide range of solutions for their financial security and future provisions. Their term often extends over many years or even decades. Sustainability in product design and underwriting is therefore crucial.

As a life insurance company and based on the markets in which it operates, Swiss Life considers the climate-related risks in underwriting to be fairly low. When investing customer assets, Swiss Life recognises opportunities as well as risks.

Swiss Life has products with integrated sustainability aspects in various markets. In Switzerland, for example, Swiss Life launched a new edition of Swiss Life Premium Expert Next in 2023. This is a unit-linked solution with term-optimised, volatility-based investment management. The fund integrated in Swiss Life Premium Expert Next meets the sustainability criteria for the Swiss Life product category ESG. Another example is the asset management mandate Swiss Life Premium Delegate Prime, for which the "Environment" investment theme can be selected. This involves the inclusion of investment funds that pursue dedicated environmental objectives in addition to financial ones. In the area of unit-linked life insurance, at Swiss Life Germany an Investo pension insurance product with a "green" option is available. Depending on the client's fund selection, various environmental and/or social aspects are taken into account while good corporate governance practices are observed at the same time. In addition to traditional funds, Swiss Life Germany also offers a broad range of funds with environmental and/or social characteristics, from which customers can make a selection in accordance with their preferences.

For third-party funds integrated in its sustainability-related insurance and investment solutions, Swiss Life has defined minimum requirements and set them down in a Group-wide guideline.

Swiss Life expects the incorporation of climate-related risks and opportunities in its business development to continue growing in importance. It is therefore developing innovative products that take its clients' individual needs and preferences into account.

A number of divisions in the Swiss Life Group have launched local products with sustainability aspects in recent years. ESG factors are also incorporated into the advisory processes via these products and solutions. In 2022, Swiss Life increasingly integrated the relevant sustainability aspects – and with that climate aspects as well – into its advisory process and its marketing and sales documents. In doing so, the company is also meeting customers' expectations. Swiss Life advisors therefore have an important role to play: they support customers in realising their needs and visions of sustainability.

Swiss Life is integrating its querying of (potential) customers' individual sustainability preferences directly into the advisory processes and instruments at the divisions in accordance with the respective regulatory requirements. By querying their sustainability preferences, Swiss Life aims to enable (potential) customers to make decisions on a sound basis. Swiss Life has introduced a range of training measures to develop the relevant advisory competencies. In Germany, for example, these consist of several digital training modules which were expanded in 2023 by another "sustainable investment advisory" module. The modules can be attended in the eCampus, the training centre operated by Swiss Life. With this ambition, Swiss Life is also meeting the regulatory requirements of the European Union. Initial experience with the preferences survey shows that customers are also interested in sustainability aspects in addition to traditional factors such as costs, risks and returns. In Switzerland, too, Swiss Life is preparing a survey on sustainability preferences and its integration into advisory processes and instruments.

Further information can be found in the Sustainability Report, available at www.swisslife.com/sustainabilityreport ("Sustainability in Insurance and Advisory" section).

Engagement in networks and associations

Through its engagement in selected networks and associations, such as the Institutional Investors Group on Climate Change, PRI and Climate Action 100+, Swiss Life fosters dialogue and exchange with stakeholders and colleagues from other companies. Swiss Life is also represented, for example, on the Sustainability Commission and the "Sustainable Insurance" working group of the Swiss Insurance Association (SIA). This exchange enables Swiss Life to better understand the requirements and challenges with regard to climate-related issues, to swiftly address new developments and to define its own priorities – and to ensure that these are in line with its competencies and areas of influence.

Further information can be found in the Sustainability Report at www.swisslife.com/sustainabilityreport ("Information on Memberships and Standards" section).

Risk Management

Climate-related risks pose particular challenges due to their specific characteristics, such as longer time horizons, non-linear impact paths and interdependencies, as well as the lack of consensus on climate policy measures and their implementation. Financial institutions and supervisory authorities worldwide are currently working on new methodologies and approaches to integrate climate-related risks more appropriately into risk processes. Swiss Life fosters dialogue with the parties involved and monitors developments.

Swiss Life's risk management standards

A key pillar of Swiss Life's responsible and sustainable business is its comprehensive, value-oriented risk management involving both quantitative and qualitative elements. The goal is to protect customers' funds and ensure the best possible investment of risk capital, while complying with regulatory requirements and taking into account the capital market environment. Swiss Life's effective risk management protects the interests of its stakeholders while ensuring that the company remains resilient. This enables Swiss Life to maintain the trust and confidence of its relevant stakeholder groups.

Risk management is a key component of Swiss Life's management process. The responsible committees of the Corporate Executive Board (Group Risk Committee, GRC) and the Board of Directors (Audit Committee, AC, and Investment and Risk Committee, IRC) continuously monitor and manage risks, and their decisions are then incorporated into the annual planning process. On the one hand, they conduct qualitative assessments of strategic risks, as well as evaluating operational risks, the internal control system (ICS) and measures aimed at continually improving information and system security. On the other hand, they also cover quantitative elements, such as the risk tolerance of the Swiss Life Group and, for the insurance units, risk budgeting and the investment strategy resulting from asset and liability management.

At Swiss Life, risk management is an integral part of strategy development. In the context of strategic risk management, any risks that could jeopardise the achievement of strategic targets are analysed using a structured process that determines a comprehensive risk profile. This involves assessing all the information relating to these risks, including the expected returns and costs, and using it in strategic decision-making. Risk interdependencies are examined in order to properly consider and address the factors influencing risk when strategies are being developed.

Further information can be found in the Annual Report, available at www.swisslife.com/ar2023 ("Risk Management" section).

Identification, assessment and management of climate-related risks

Swiss Life considers climate-related risks to be drivers that may impact existing risk categories. This is in line with the definition of internationally active bodies and institutions and (national) supervisory authorities[1]. Accordingly, expected climate-related financial risks are embedded in the classic risk categories such as credit, market or insurance risks and are reflected in the market. No standard has yet been established. For this reason, Swiss Life is currently working with qualitative analyses as well as various climate metrics and climate-related projections to identify, assess and appropriately manage climate-related risks.

As part of its Group-wide sustainability strategy, Swiss Life is also integrating sustainability and climate-related aspects into its existing risk management standards for the management of the business.

In qualitative terms, for example, the inclusion of climate-related risks in the emerging risks process contributes to the identification of relevant climate-related risks. In addition, the structured processes for determining the comprehensive risk profile encompass climate aspects. Swiss Life considers physical and transition risks to be strategic risks for the business model. Consequently, relevant climate aspects are taken into account in business management. In addition, as part of the ORSA, Swiss Life examines scenarios related to climate change, both at Group level and at the level of the various divisions. Swiss Life does not expect any material effects of climate-related risks within the ORSA planning horizon. This is reviewed annually as part of a regular process. Furthermore, qualitative analyses to assess climate-related financial risks (financial materiality) are carried out with relevant internal stakeholders.

On the quantitative side, for the identification, assessment and appropriate management of climate-related risks and other sustainability aspects of investments, Swiss Life systematically integrates sustainability indicators, such as greenhouse gas emissions and ESG ratings from external data providers. This is supplemented by special mid- and long-term analyses based on the scenarios of the Network for Greening the Financial System (NGFS). For this purpose, climate-related projections of the NGFS are used.

Analysing and understanding climate indicators is considered essential if Swiss Life is to be able to assess and appropriately manage climate-related risks and opportunities within the investment portfolio. Swiss Life has a structured process to take sustainability-related criteria into account as part of its investment decision process.

[1] For example, the International Association of Insurance Supervisors (IAIS), the European Insurance and Occupational Pensions Authority (EIOPA), FINMA, the Autorité de contrôle prudential et de resolution (ACPR) or the German Federal Financial Supervisory Authority (BaFin)

As a life insurance company and based on the markets in which it operates, Swiss Life considers the climate-related risks on the liabilities side of the balance sheet to be rather low. That is why the assets side of Swiss Life's balance sheet is currently the focus of quantitative analyses of climate-related risks. An expansion of the quantitative risk management standards for the systematic identification, assessment and adequate management of climate-related risks on both the asset and liability sides of Swiss Life's balance sheet is still in progress.

In addition to climate-related financial risks, Swiss Life also identifies, assesses and records the impacts caused by its business activities and, where relevant and proportionate, by its business relationships and the associated key risks for relevant stakeholder groups. This is supported, for example, by an internal climate experts group and representatives of relevant stakeholder groups.

Further information can be found in the Sustainability Report, available at www.swisslife.com/sustainabilityreport ("Materiality Matrix" section).

Metrics and Targets

Among other things, Swiss Life works with metrics and targets to assess climate-related risks and opportunities and to track progress towards the achievement of corresponding targets. Both help to ensure the future resilience of Swiss Life's business model. Metrics communicated externally by Swiss Life also contribute to greater transparency in the financial industry.

In order to include different perspectives on climate-related issues and gain experience with metrics and measurement methods, Swiss Life compiles and uses a selection of different metrics and projections. All relevant areas of the company can thus develop their knowledge around climate-related metrics and measurement methods. In its external reporting, Swiss Life currently focuses on climate indicators whose methodology is mature and recognised and which reflect both risks and opportunities for Swiss Life and their impact on relevant stakeholder groups.

Climate-related metrics and the underlying methodologies belong to a relatively young – and hence still evolving – field of research, are often complex and offer only limited comparability as yet. Moreover, climate indicators are based on assumptions and are thus inherently subject to model risk. An additional challenge is that there is currently no broad consensus on the methodology of climate indicators. The quality and availability of the underlying data are limited, which ultimately makes the climate-related metrics less meaningful.

In business activities

Operational ecology comprises the operational environmental management of the Swiss Life Group at its own locations as well as those it rents and the emissions arising from its business activities and its own employees.

Climate-related targets in the Swiss Life Group's business operations

CO_2 emissions
Swiss Life aims to reduce its CO_2 emissions per FTE by 35% by the end of 2024 compared to 2019, primarily by cutting emissions from travel and obtaining electricity from sustainable sources. As part of its investment cycles, Swiss Life also intends to further reduce fossil fuel use for heating company buildings. These targets are also part of the Group-wide "Swiss Life 2024" programme.

Since 2022, Swiss Life has been supporting climate change mitigation projects by acquiring certificates in line with the measured, unavoidable CO_2 emissions from the company's operational activities. To this end, Swiss Life focuses on projects in its core European markets (Switzerland, France and Germany) that contribute not only to reducing CO_2 but also to preserving biodiversity, for example through forest conservation, reafforestation and the production of biochar. Further information about these projects is available in the Swiss Life section of the First Climate website (www.firstclimate.com/id85083429). This offsetting has meant that our operational activity has been net zero since 2022.

Since 2021, all electricity used by Swiss Life has originated from renewable energy sources. By the end of 2024, Swiss Life wants to reduce total emissions per FTE by 35% compared to 2019. It is making good progress to this goal: emissions per FTE were reduced by 44% at the end of 2023 compared to 2019. The environmental indicators for 2023 were audited by an independent auditor (more on this in the “Report of the Independent Auditor” section). Swiss Life offsets these emissions by acquiring certificates in the amount of the measured, unavoidable CO_2 emissions, and its operations have been net zero since 2022.

CO_2 emissions are recorded in accordance with the internationally recognised standards of the Greenhouse Gas (GHG) Protocol Corporate Standard. The science-based CO_2 equivalents used for determining these values cover all relevant greenhouse gases:

- Scope 1 emissions comprise fuel used to heat buildings and for the company’s own fleet of vehicles.
- Scope 2 emissions comprise consumption of purchased electricity and district heating at the business locations.
- Swiss Life currently has four Scope 3 emissions categories:
  - Category 1, “Purchased Goods and Services”, comprises paper consumption and water use at the business locations. Other purchased services (such as server capacity) that are also relevant for Swiss Life are not yet included in this category.
  - Category 3, “Fuel- and Energy-Related Activities”, comprises the upstream processes for the production of the purchased building energy that are not included in Scopes 1 and 2. The methodology of the International Energy Agency from 2017 was used to split the energy emission factors from Ecoinvent into Scopes 1, 2 and 3.
  - Category 5, “Waste Generated in Operations”, comprises emissions resulting from the disposal of waste at the business locations.
  - Category 6, “Business Travel”, comprises the kilometres employees travel for business by train, car or plane.

The other categories are either not relevant for Swiss Life or else the data available is not of sufficient quality. In addition to its ambition to steadily improve data quality, Swiss Life continuously reviews the scope of its assessments and potentially relevant emission categories and analyses suitable data collection methods. These include the currently unrecorded Scope 3 emissions from categories 7, “Commuting”, and 9, “Emissions from Transport and Distribution of Products”.

Due to acquisitions and the continuous review of the scope of application, projections and emission factors, Swiss Life is disclosing adjustments in its 2023 environmental indicators.

Swiss Life continuously reviews the data basis relating to the real estate used by Swiss Life. This includes checking the plausibility of extrapolations, emission factors, acquisitions and disposals of business activities.

The main changes are as follows:

- With the acquisition of fb research by Swiss Life Germany on 1 January 2023, an additional location in Hanover (85 FTE as at 31 December 2023) was integrated along with the corresponding environmental indicators.
- As a result of an internal review of the scope of application during the year under review, the Axenta location in Dättwil (46 FTE as at 31 December 2023) and a Swiss Life company building in Lausanne (57 FTE as at 31 December 2023) were added to Swiss Life Switzerland with effect from 1 January 2023. These were previously included in an extrapolation.
- As a result of an internal review of the scope of application during the year under review, the Principal & Prosper location in Edinburgh (47 FTE as at 31 December 2023) was added to Swiss Life International on 1 January 2023. This was previously included in an extrapolation.
- From 2023, Swiss Life is also including recycled waste as a share of total waste in its environmental indicators. The recycling waste is calculated based on the assumption that bio-waste, glass, paper, metal, printer cartridges, batteries, clothing and accessories, plastics and aluminium cans are recycled at the main Swiss Life locations in Switzerland, Germany and France.
- From 2023, Swiss Life is stating its "business travel" emissions in more detail and has added a new category, "Journeys by public transport: bus".
- The emission factors in the scientific database Ecoinvent have been updated in accordance with the new version 3.10 dated 2023. Emission factors from Mobitool Version 3 have been used for electric and hybrid vehicles since the reporting year. Updating the emission factors increased total emissions by 5%.

In the year under review, Swiss Life further reduced building energy consumption compared to 2022 (–9% per FTE). This was due to expanded energy-saving measures at various locations, Moreover, no additional emergency fuel was purchased in the year under review. In addition to reducing building energy consumption, Swiss Life increased the share of renewable fuel sources in 2023 from 6% in the previous year to 17%. Travel activity at Swiss Life saw a year-on-year increase (+16% per FTE). One reason for the increase is that Swiss Life began, in the year under review, to consistently include incentive trips in this category. These relate to seminars organised by Swiss Life for groups of 20 or more participants and lasting more than one day. Compared to the baseline year 2019, business trips were reduced by 22% per FTE overall. In terms of paper consumption, Swiss Life posted a slight reduction compared to the previous year (–9% per FTE). In terms of water consumption (0% per FTE) and waste (–1% per FTE), there were no significant deviations from the previous year.

Further information can be found in the Sustainability Report, available at www.swisslife.com/sustainabilityreport ("Climate Change Mitigation and Operational Ecology" section).

Absolute environmental indicators

Indicator	Unit	**2023**	2022	2021
TOTAL BUILDING ENERGY	kWh	**30 761 392**	32 812 574	36 127 586
Electricity consumption in buildings	kWh	**17 071 496**	17 204 564	18 429 450
Proportion of renewable electricity	%	**100**	100	100
Fuel consumption in buildings	kWh	**9 433 228**	11 774 610	13 463 628
Fossil fuel consumption	kWh	**7 874 490**	11 110 147	12 715 301
Renewable energy consumption	kWh	**1 558 738**	664 463	748 327
Proportion of renewable fuels	%	**17**	6	6
Consumption of district heating in buildings	kWh	**2 359 763**	2 191 895	2 535 065
Extrapolation of entire building energy – Group	kWh	**1 896 906**	1 641 505	1 699 443
TOTAL BUSINESS TRAVEL	km	**47 868 341**	40 070 743	35 486 181
Journeys by public transport: rail	km	**12 565 210**	10 663 632	6 800 421
Journeys by public transport: bus	km	**227 248**	–	–
Car trips own fleet and leased vehicles [1]	km	**13 692 391**	12 308 997	14 692 678
Car trips in third-party vehicles – rental cars, travel expenses and taxis [2]	km	**11 377 843**	11 136 998	10 841 792
Air travel	km	**8 680 701**	5 355 048	2 677 749
Extrapolation of all business travel – Group	km	**1 324 949**	606 068	473 540
TOTAL PAPER CONSUMPTION	kg	**531 836**	564 154	664 263
Proportion of recycled paper	%	**16**	17	19
Extrapolation of total paper consumption – Group	kg	**33 920**	31 304	34 242
TOTAL WATER CONSUMPTION	m^3	**62 984**	59 426	59 655
Extrapolation of total water consumption – Group	m^3	**4 607**	4 082	3 494
TOTAL WASTE	kg	**702 906**	684 475	585 826
Proportion of recycled waste	%	**50**	–	–
Extrapolation of total waste – Group	kg	**50 693**	42 742	34 493
TOTAL LOSS OF COOLANTS AND REFRIGERANTS	kg	**0**	34	25
TOTAL EMISSIONS	t CO_2e	**14 251**	16 362	15 080
Scope 1 emissions [1, 3]	t CO_2e	**7 095**	7 406	8 585
Scope 2 emissions [3]	t CO_2e	**388**	414	516
Scope 3 emissions [2]	t CO_2e	**6 768**	8 542	5 979
Scope 3 emissions Cat. 1 „Purchased goods & services (paper, water)”	t CO_2e	**462**	512	592
Scope 3 emissions Cat. 3 „Energy activities”	t CO_2e	**736**	906	1 045
Scope 3 emissions Cat. 5 „Waste”	t CO_2e	**232**	195	170
Scope 3 emissions Cat. 6 „Business travel” [2]	t CO_2e	**5 337**	6 930	4 172

Relative environmental indicators per FTE

Indicator	Unit	**2023**	2022	2021
Number of full-time employees	FTE	**10 442**	10 126	10 219
Building energy	kWh/FTE	**2 946**	3 241	3 535
Business travel [1, 2]	km/FTE	**4 585**	3 957	3 473
Paper consumption	kg/FTE	**51**	56	65
Water consumption	m^3/FTE	**6**	6	6
Waste	kg/FTE	**67**	68	57
TOTAL EMISSIONS	kg CO_2e/FTE	**1 365**	1 616	1 476
Scope 1 emissions [1, 3]	kg CO_2e/FTE	**679**	731	840
Scope 2 emissions [3]	kg CO_2e/FTE	**37**	41	51
Scope 3 emissions [2]	kg CO_2e/FTE	**648**	844	585

[1] The number of vehicle kilometres driven by Swiss Life fleet vehicles includes both business and private trips. The exact number of kilometres driven in private cars will be determined for the next reporting period.

[2] The number of car kilometres driven by sales force employees in France (331 FTE as at 31.12.2023) is not included due to incomplete data. This data was also not reported in the previous reporting years 2019–2022.

[3] Emissions relating to vacant building floorspace are also reported under scope 1 and 2.

As an asset owner and manager

Swiss Life is an asset manager for its own insurance companies as well as for third-party clients such as pension funds, other insurance companies and private investors. As a responsible investor, Swiss Life can make a relevant contribution to the positive development of society and the environment. It does this by reducing risks to society and the environment, exploiting corresponding opportunities, and offering its customers appropriate investment products and solutions. The long-term protection of customer funds and the optimal allocation of risk capital are the main objectives. Invested assets must be secure, profitable, and liquid overall. Due to the long-term nature of its liabilities, Swiss Life invests predominantly in fixed-income securities such as government and corporate bonds as well as in real estate, equities and infrastructure. Its investment decisions have always been informed by a long-term assessment of risks and returns.

Swiss Life Asset Managers' responsible investment approach encompasses all three dimensions of the ESG spectrum. In the context of TCFD reporting, a special focus is placed on climate-related and hence also environmental considerations. As an asset owner and manager, Swiss Life has various ways of exerting influence with varying degrees of impact on the investments made by it or on its behalf. This is taken into account when targets are set.

Swiss Life regularly procures climate indicators and climate-related projections – climate indicators such as from the independent providers MSCI ESG Research LLC, Bloomberg, Germanwatch and the Energy and Climate Intelligence Unit (ECIU), and projections in particular from the Network for Greening the Financial System (NGFS). This involves using backward-looking metrics such as greenhouse gas emissions on the one hand and forward-looking metrics and projections from scenario analyses on the other hand. In order to more easily assess its understanding of climate-related risks, Swiss Life has been participating in the Paris Agreement Capital Transition Assessment (PACTA) since 2017. This assessment is carried out by the Swiss Federal Office for the Environment (FOEN) and by the State Secretariat for International Finance (SIF). Swiss Life is gradually continuing the integration of the climate scenario metrics and the further application of various transition scenarios.

Carbon intensity

Climate-related portfolio ambitions of the Swiss Life Group

Paris Agreement
In the context of its PAM portfolio – securities, real estate and infrastructure – Swiss Life's ambition is to make financial flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development and thus contribute to a central goal of the Paris Agreement.

In addition to other metrics, Swiss Life works with the climate indicator carbon intensity. Carbon intensity is an indicator of greenhouse gas efficiency. For real estate, the metric reflects greenhouse gas emissions in relation to gross floor area. For government bonds, this metric reflects greenhouse gas emissions in relation to nominal gross domestic product (GDP) while for corporate bonds and equities it reflects these emissions in relation to sales.

In its directly held PAM real estate portfolio, Swiss Life is able in some cases to directly influence carbon intensity. With reference to Carbon Risk Real Estate Monitor (CRREM), greenhouse gas emissions resulting from the operation of properties within the Swiss Life PAM real estate portfolio held directly for investment purposes can be classified as emissions controllable by the lessor and emissions controllable by the tenant. In this report, Swiss Life adopts the "operational control" approach. In Swiss Life's climate reporting, carbon intensity currently covers the total greenhouse gas emissions resulting from the operation of properties.

Real estate is a major contributor to global CO_2 emissions and is at the same time exposed to climate-related risks. As one of Europe's leading real estate investors and the owner of one of Switzerland's largest private real estate portfolios, Swiss Life is aware of its responsibility concerning the transition to a low-carbon and climate-resilient economy.

Swiss Life has set itself the target of reducing the carbon intensity of its directly held PAM real estate portfolio by 20% by 2030 compared to 2019. Around CHF 2 billion will be invested over this period in order to achieve this target. The measures include, among other things, the implementation of energy efficiency and CO_2 efficiency measures and the switch from fossil to non-fossil energy sources.

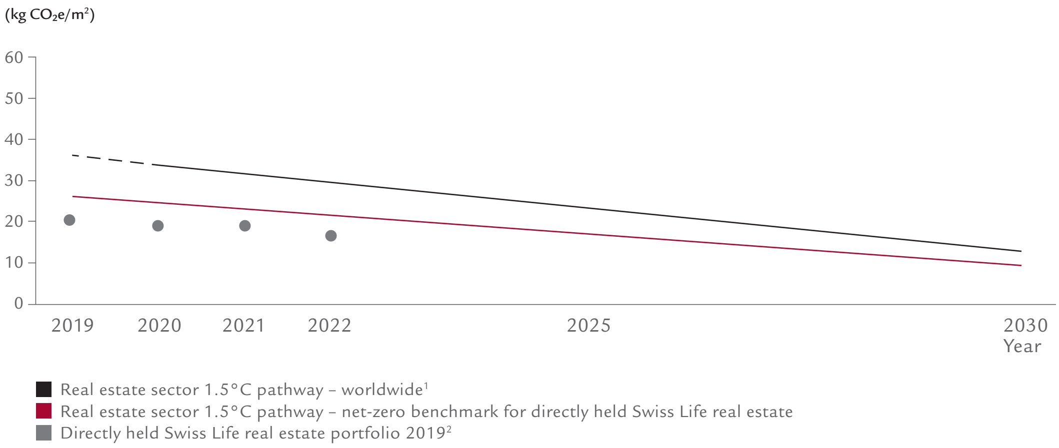
The period considered for the current carbon intensity calculation is the calendar year 2022. Due to the data collection process, certain consumption values are only available with a time-lag of as much as three years. Therefore, adjustments to the published carbon intensity figures may be made retrospectively. This is reflected in the development of the data coverage.

Measures have been taken to improve both data coverage and data quality. As a result, for example, properties in Germany have been included in the reporting and the relevant gross floor area of the PAM real estate portfolio held directly for investment purposes has been increased by around 10%.

Given the reference paths, the current carbon intensity figure and the target set for 2030 can be compared with an assessment – based on current knowledge – of the requirements under the Paris Agreement. The global reference path is based on global developments. The specific reference path is based on the countries, types of use and gross floor area of the relevant Swiss Life properties. In 2023, the updated CRREM methodology, resulting in adjusted reference paths, was made available.

For 2022, the carbon intensity of Swiss Life's PAM real estate portfolio held directly for investment purposes comes to 17 kg CO_2e/m^2. The change in carbon intensity compared to the previous year was due, among other things, to a mild winter and the resulting fall in energy consumption by the properties.

Carbon intensity



[1] The global reference path is available as of 2020. The value for 2019 corresponds to a linear extrapolation.
[2] The calculation of the carbon intensity of the PAM real estate portfolio directly held by Swiss Life for 2022 is based on consumption values for 56% of the gross floor area. The remaining share of 44% was estimated in 2022. In previous years, the coverage of consumption values ranged from 60% to 80% of the gross floor area. Information on estimates can be found in the appendix. The greenhouse gas emissions of office buildings used by the company are included in operational ecology and are excluded from the calculation of carbon intensity.

According to greenhouse gas accounting under the GHG Protocol Corporate Standard, greenhouse gas emissions within Swiss Life's PAM securities portfolio correspond to a subset of Swiss Life's Scope 3 emissions and belong to category 15 "Investments". Given the weighted average carbon intensity of its PAM securities portfolio, Swiss Life is already well positioned today. Swiss Life wishes to maintain this position as part of the ongoing strategic programme.

100% of Swiss Life's PAM government bond portfolio is invested in countries that have ratified the Paris Agreement. Compared to the previous year, the weighted average carbon intensity of issuers has decreased. Most of this reduction can be attributed to changes in the countries' GDP and greenhouse gas emissions and to changes in the portfolio composition.

Weighted average carbon intensity of the Swiss Life Group's PAM government bond portfolio[1, 2] as at 31.12.2023 (attributable, as per GHG Protocol Corporate Standard, to Swiss Life's Scope 3 emissions, category 15 "Investments")

Asset class	Unit	2023
Government bonds	t CO_2e/USD million GDP nominal	**164**

[1] For the purposes of the TCFD Report, government bonds only include bonds issued by nation states. Corporate bonds also include covered bonds and bonds issued by government-related entities or supranationals. This deviation from other financial publications is due to the calculation logic underlying the carbon intensity. Green, social and sustainable bonds are included in the same way as bonds without specific reference to sustainability aspects.
[2] The coverage of the weighted average carbon intensity corresponds to over 90% of the amortised costs of the PAM government bond portfolio of the Swiss Life Group. © 2023 MSCI ESG Research LLC. Reproduced with permission. The data published by MSCI ESG Research LLC as of 31.12.2023 was used.

The weighted average carbon intensity of Swiss Life's PAM corporate bond portfolio reflects the strong presence of service-related industry sectors[1]. The PAM equity portfolio partially replicates equity index strategies. Therefore, the carbon intensity of the PAM equity portfolio can only be controlled to a limited extent through targeted adjustments.

Compared to the previous year, the weighted average carbon intensity based on issuers' Scope 1 and Scope 2 emissions has decreased. This development can be largely attributed to changes in the companies' revenues and greenhouse gas emissions as well as to changes in the portfolio composition. The issuers' Scope 1 and Scope 2 emissions are partly reported by the issuers themselves and partly estimated by the external data provider.

Weighted average carbon intensity of the PAM corporate bond and equity portfolio[1, 2] of the Swiss Life Group as at 31.12.2023 (attributable, as per GHG Protocol Corporate Standard, to Swiss Life's Scope 3 emissions, category 15 "Investments")

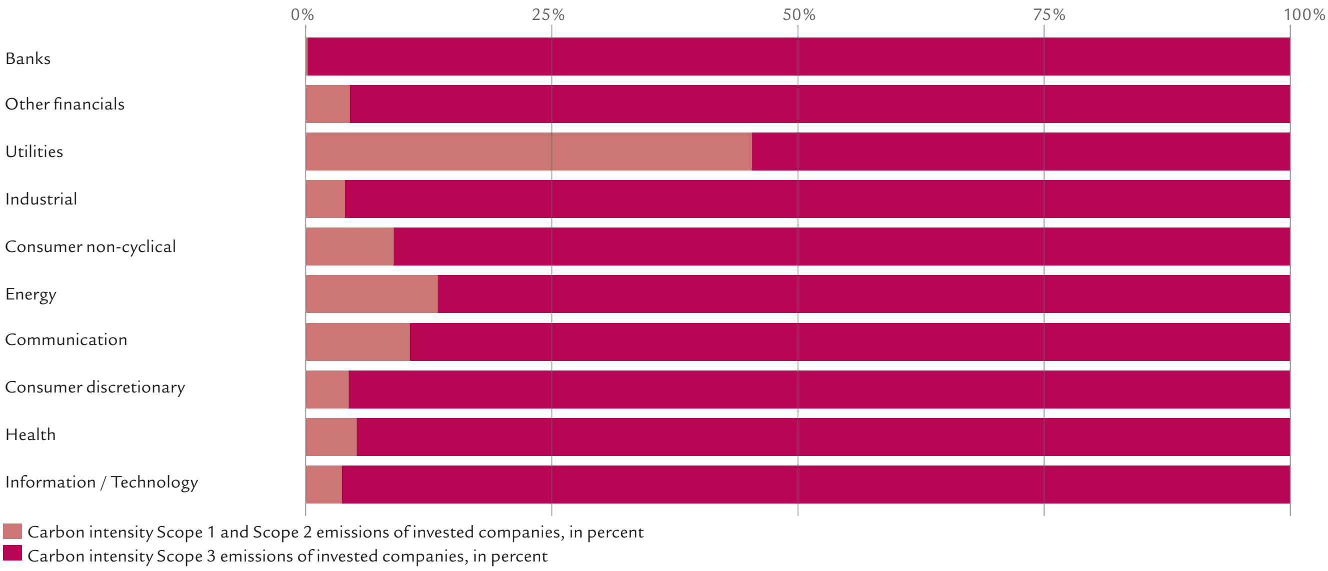
Asset class	Unit	2023 (Scopes 1, 2 of issuers)
Corporate bonds	t CO_2e/USD million sales	**90**
Equities	t CO_2e/USD million sales	**96**

[1] For the purposes of the TCFD Report, government bonds only include bonds issued by nation states. Corporate bonds also include covered bonds and bonds issued by government-related entities or supranationals. This deviation from other financial publications is due to the calculation logic underlying the carbon intensity. Green, social and sustainable bonds are included in the same way as bonds without specific reference to sustainability aspects.
[2] The coverage of the weighted average carbon intensities corresponds to over 90% of the amortised costs of the PAM corporate bond portfolio and over 90% of the market value of the PAM equity portfolio of the Swiss Life Group. © 2023 MSCI ESG Research LLC. Reproduced with permission. The data published by MSCI ESG Research LLC as of 31.12.2023 was used.

[1] On average, service industries have a lower carbon intensity from Scope 1 and Scope 2 emissions than other industry sectors.

The ratio between the weighted average carbon intensity based on the issuers' Scope 1 and Scope 2 emissions and the weighted average carbon intensity based on the issuers' Scope 3 emissions differs according to the industry sector in question. The issuers' Scope 3 emissions are based on estimates by the external data provider.

Distribution of the companies in which the Swiss Life Group's PAM securities portfolio[1] is invested by industry sector of the weighted average carbon intensity of Scope 1 and Scope 2 emissions relative to Scope 3 emissions, as at 31.12.2023 (allocated to Swiss Life's Scope 3 emissions according to the GHG Protocol Corporate Standard, category 15 "Investments")



[1] For the purposes of the TCFD Report, government bonds only include bonds issued by nation states. Corporate bonds also include covered bonds and bonds issued by government-related entities or supranationals. This deviation from other financial publications is due to the calculation logic underlying the carbon intensity.

Coal-related topics

Climate-related portfolio ambitions of the Swiss Life Group

Thresholds for coal
Swiss Life has adopted a thermal coal phase-out strategy for its PAM corporate bond portfolio. It is not making any new investments in companies which derive more than 10% of their revenue from the mining, extraction and sale of coal for power stations to external parties.

In its responsible investment approach, Swiss Life Asset Managers has defined a coal threshold for its infrastructure equity investments in the context of infrastructure funds: no investments are made in companies or projects with a valuation contribution from coal exceeding 10%. This means that the present value of cash flows from extracting, selling and trading coal or generating electricity and heat from coal must be below 10% of the company's or project's valuation.

The limits for coal relate to the areas in which Swiss Life can in principle make corresponding investments.

A thermal coal phase-out strategy for the PAM corporate bond portfolio has been formalised in order to contribute to the transition towards a more sustainable and low-carbon economy and mitigate the risk of stranded assets. In the course of 2020, Swiss Life's investment in companies that derive 10% or more of their revenues from the mining, extraction or sale of thermal coal to external parties was reduced to 0%. As at the end of 2023, this position remains unchanged at 0%. Swiss Life also does not hold any items in its PAM equity portfolio that exceed this threshold. As Swiss Life pursues a partially passive investment strategy for equities, these limit values may be exceeded.

In connection with Article 29 of the French regulation "Loi Énergie-Climat", Swiss Life France has implemented a more comprehensive coal phase-out strategy.

As at the end of 2023, the exposure of infrastructure equity investments made within the framework of all infrastructure funds to companies or projects with a valuation contribution of 10% or more from extracting, selling and trading coal or generating electricity and heat from coal was 0%. The exposure at the end of 2023 with respect to the same threshold was also 0% for investments within the PAM infrastructure equity portfolio.

Green bonds

Climate-related portfolio ambitions of the Swiss Life Group

Green investment programme
Swiss Life ensures that parts of its new investments within its PAM portfolio are actively used to promote climate-friendly or sustainable technologies, projects and initiatives and has launched a green investment programme with the aim of increasing investments in green, social and sustainable bonds to CHF 2 billion by the end of 2023.

In the area of securities, Swiss Life has launched a programme for green investments in line with ICMA's Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines. Green bonds aim to address sustainability matters such as renewable energy, the prevention and reduction of negative impacts on the environment, and the circular economy. Social and sustainable bonds also relate to the corresponding themes. Between the launch of the green investment programme and the end of 2023, Swiss Life invested around CHF 2.5 billion within the scope of the PAM portfolio. To achieve this target, Swiss Life continuously expanded its investments in green, social and sustainable bonds following the launch of the programme.

In addition to its green investment programme, which encompasses investments in green, social and sustainability bonds, Swiss Life has itself also been issuing green bonds since 2019. The green bonds issued by Swiss Life are used to finance assets and investments that meet selected criteria. These criteria are set out in Swiss Life's "Green Bond Framework", which is in line with both the ICMA's Green Bond Principles and Swiss Life Asset Managers' responsible investment approach. As at the end of 2023, Swiss Life had CHF 400 million and EUR 600 million outstanding in green bonds.

Green investment programme

Metric	2023	2022	2021
Participation in sustainable bonds (in CHF million)	**2 487**	1 938	1 216

Renewable energy

Climate-related portfolio ambitions of the Swiss Life Group

Renewable energy as an opportunity
Swiss Life wishes to seize the opportunities presented by the transition to a low-carbon and climate-resilient economy. It is therefore ensuring that its infrastructure funds include investments in renewable energy.

The infrastructure funds managed by Swiss Life Asset Managers hold several renewable energy infrastructure assets as direct investments. Investments in the infrastructure portfolio produced 9400 GwH of electricity from heat and renewable energy sources in the year under review.

Further information can be found in the Sustainability Report, available at www.swisslife.com/sustainabilityreport ("Sustainability as an Asset Owner and Manager" section) and in the Responsible Investment Report, available at www.swisslife-am.com/rireport.

In insurance and advisory

Swiss Life strives to take climate-related as well as other aspects into account in its insurance business and advisory services. Swiss Life's products are closely linked to the underlying investments and capital flows. The analysis of climate-related risks and opportunities with regard to these investments thus provides valuable insights.

Swiss Life's insurance business focuses on life insurance. Swiss Life therefore generally faces less exposure to climate-related risks in underwriting than reinsurance or property insurance companies.

Further information can be found in the Sustainability Report, available at www.swisslife.com/sustainabilityreport ("Sustainability in Insurance and Advisory" section).

Engagement in networks and associations

Through its engagement in selected networks and associations, Swiss Life fosters dialogue and exchange with stakeholders and colleagues from other companies. This interaction may include discussions about climate indicators and targets.

Further information can be found in the Sustainability Report, available at www.swisslife.com/sustainabilityreport ("Information on Memberships and Standards" section).

Metrics at the Level of Relevant Individual Companies

Information on climate-related financial risks for Swiss Life Ltd

Swiss Life Ltd comprises the insurance business in Switzerland and the branch office in Germany. For the carbon intensity calculation, the properties of certain subsidiaries of Swiss Life Ltd that contribute to the carbon intensity reduction target of the Swiss Life Group are also considered.

The governance, strategy and targets of Swiss Life Ltd with regard to climate change correspond to those at Group level. Risk management corresponds to risk management at Group level, including with regard to climate-related risks. As Swiss Life Ltd forms the core component of the Swiss Life Group, the risk profile of Swiss Life Ltd largely corresponds to the risk profile at Group level.

The following quantitative information on climate-related financial risks refers to the PAM Portfolio of Swiss Life Ltd.

Swiss Life Ltd contributes to the reduction target for the carbon intensity of the directly held PAM real estate portfolio of the Swiss Life Group. For 2022, the carbon intensity[1] of the properties of Swiss Life Ltd that contribute to the Swiss Life Group's reduction target is 17 kg CO_2e/m^2. For the background on the carbon intensity of the PAM real estate portfolio held directly for investment purposes at Group level, please refer to the notes from page 26 onwards ("Metrics and Targets" section).

Further information about the background to the weighted carbon intensities of the PAM securities portfolio at Group level can be found from page 27 onwards ("Metrics and Targets" section).

[1] The calculation of the carbon intensity of the PAM real estate portfolio directly held by Swiss Life for 2022 is based on consumption values for 57% of the gross floor area. The remaining share of 43% was estimated in 2022. Information on estimates can be found in the appendix. The greenhouse gas emissions of office buildings used by the company are included in operational ecology and are excluded from the calculation of carbon intensity.

Weighted average carbon intensity of the PAM government bond portfolio[1, 2] of Swiss Life Ltd as at 31.12.2023 (allocated to Swiss Life's Scope 3 emissions, category 15 "Investments", according to the GHG Protocol Corporate Standard)

Asset class	Unit	2023
Government bonds	t CO_2e/USD million GDP nominal	**160**

[1] For the purposes of the TCFD Report, government bonds only include bonds issued by nation states. Corporate bonds also include covered bonds and bonds issued by government-related entities or supranationals. This deviation from other financial publications is due to the calculation logic underlying the carbon intensity. Green, social and sustainable bonds are included in the same way as bonds without specific reference to sustainability aspects.
[2] The coverage of the weighted average carbon intensity corresponds to over 90% of the amortised costs of the PAM government bond portfolio of Swiss Life Ltd. © 2023 MSCI ESG Research LLC. Reproduced with permission. The data published by MSCI ESG Research LLC as of 31.12.2023 was used.

Weighted average carbon intensity of the PAM corporate bond and equity portfolio[1, 2] of Swiss Life Ltd as at 31.12.2023 (allocated to Swiss Life's Scope 3 emissions, category 15 "Investments", according to the GHG Protocol Corporate Standard)

Asset class	Unit	2023 (Scopes 1, 2 of issuers)
Corporate bonds	t CO_2e/USD million sales	**91**
Equities	t CO_2e/USD million sales	**96**

[1] For the purposes of the TCFD Report, government bonds only include bonds issued by nation states. Corporate bonds also include covered bonds and bonds issued by government-related entities or supranationals. This deviation from other financial publications is due to the calculation logic underlying the carbon intensity. Green, social and sustainable bonds are included in the same way as bonds without specific reference to sustainability aspects.
[2] The coverage of the weighted average carbon intensities corresponds to over 90% of the amortised costs of the PAM corporate bond portfolio and over 90% of the market value of the PAM equity portfolio of the Swiss Life Group. © 2023 MSCI ESG Research LLC. Reproduced with permission. The data published by MSCI ESG Research LLC as of 31.12.2023 was used.

Report of the Independent Auditor

Independent practitioner's limited assurance report

on Selected Key Indicators 2023 in the TCFD Report 2023 to the Management of Swiss Life Holding AG

Zurich

We have been engaged by Management to perform assurance procedures to provide limited assurance on the Selected Key Indicators 2023 in the TCFD Report 2023 of Swiss Life Holding AG and its consolidated subsidiaries ('Swiss Life') for the year ended 31 December 2023.

The following Selected Key Indicators in the TCFD Report 2023 were subject to our limited assurance engagement:

- The absolute environmental indicators for the year 2023 in the table on page 24 in the chapter Key Figures and Targets.
- The key figures in the "weighted average carbon intensity 2023 of the PAM securities portfolio" on page 28 in the chapter Metrics and Targets and on page 34 in the chapter Metrics at the level of relevant individual companies.
- The key figures in the "carbon intensity 2022 of the PAM real estate portfolio held directly" on page 27 in the chapter Metrics and Targets as well as on page 33 in the chapter Metrics at the level of relevant individual companies.

Other comparative figures from previous years and forward-looking information were not the subject of our limited assurance engagement.

The key figures selected in the TCFD Report 2023 were created by the management of Swiss Life on the basis of the following criteria explained in the TCFD Report 2023 (hereinafter the "suitable Criteria"):

- The absolute environmental indicators based on the GHG Protocol Corporate Standard and its specific Application as described on pages 22 and 23 in the Key Figures and Targets chapter and in the glossary on page 38 of the TCFD Report 2023.
- The weighted average carbon intensity 2023 of the PAM securities portfolio was calculated using the procedure described in the glossary on pages 38 to 40 of the TCFD Report 2023.
- The carbon intensity 2022 of the PAM real estate portfolio held directly were calculated according to the procedure described in the glossary on pages 38 to 40 of the TCFD Report 2023.

Inherent limitations

The accuracy and completeness of the data and information for the Selected Key Indicators 2023 in the TCFD Report 2023 are inherently subject to limitations resulting from the way the data is collected, calculated and estimated. In addition, the quantification of environmental indicators (including CO_2 and other greenhouse gas emissions) is subject to inherent uncertainty due to incomplete scientific knowledge used to determine factors related to the determination and calculation of environmental information and the values required for the combination. Our assurance report should therefore be read in connection with the Swiss Life suitable criteria set out in the TCFD 2023 Report.

Management's responsibility

The Management of Swiss Life Holding AG is responsible for the Criteria and its selection as well as for the preparation and presentation of the Selected Key Indicators in the TCFD Report 2023 as a whole in accordance with the criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation and the appropriate record keeping.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, 8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, www.pwc.ch

Independence and quality management

We are independent of the Swiss Life Holding AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1 which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the Selected Key Indicators 2023 in the TCFD Report 2023. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the Selected Key Indicators 2023 in the TCFD Report 2023 on pages 24, 27, 28, 33 and 34 was not prepared, in all material aspects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing, and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

Summary of the work performed

Our limited assurance procedures included, but were not limited to the following work:

- the assessment of the suitability of the suitable Criteria used for the preparation of the selected key figures 2023, as contained on pages 22 and 23 in the chapter Key Figures and Targets and in the glossary on pages 38 to 40;
- Surveys of the relevant people for the selected key figures in the TCFD Report 2023;
- Inspection of relevant documents;
- Sample based verification of data sources;
- Matching data sources with financial and other relevant information;
- Review of relevant calculations;
- Analytical procedures.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that Selected Key Indicators 2023 on pages 24, 27, 28, 33, and 34 in the TCFD Report 2023 of Swiss Life Holding AG as described above have been prepared in all material respects in accordance with the suitable Criteria set out in the TCFD Report 2023 on pages 22 and 23 and in the glossary on pages 38 to 40.

Restriction of use and purpose of the report

This report is prepared for, and only for, the Management of Swiss Life Holding AG, and solely for the purpose of reporting to them on Selected Key Indicators 2023 TCFD Report 2023 and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the distribution of our report, in full only, together with TCFD Report 2023 to enable the Management to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over the Selected Key Indicators 2023 in the TCFD Report 2023 of Swiss Life without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Management of Swiss Life Holding AG for our work or this report.

PricewaterhouseCoopers AG

Peter Eberli Natalia Dmitrieva

Zurich, 9 April 2024

'The maintenance and integrity of Swiss Life Holding AG's website and its content are the responsibility of the Management; the work carried out by the assurance provider does not involve consideration of the maintenance and integrity of the Swiss Life Holding AG's website, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported Selected Indicators in the TCFD Report 2023) or Criteria since they were initially presented on the website.

Appendix

Glossary

Greenhouse gas emissions
The GHG Protocol Corporate Standard divides a company's greenhouse gas emissions into three "scopes". Scope 1 emissions are direct emissions from sources that companies own or control. Scope 2 emissions are indirect emissions from the generation of purchased energy. Scope 3 emissions are all indirect emissions (not included in Scope 2 emissions) that occur in the value chain of the reporting company, including upstream and downstream emissions.

In addition, the GHG Protocol Corporate Standard specifies the greenhouse gases to be taken into account. These include the gases regulated in the Kyoto Protocol.

Further information can be found at www.ghgprotocol.org/corporate-standard.

Carbon intensity
In order to compare the greenhouse gas emissions of properties and issuers, differences between properties and between issuers must be taken into account. In other words, the greenhouse gas emissions must be normalised. For properties, countries and companies, one approach is to consider greenhouse gas emissions in relation to a property's gross floor area or a country's nominal GDP or a company's revenue, respectively. The resulting metric is called "carbon intensity".

Real Estate
The definition of the carbon intensity for real estate applied by Swiss Life comprises greenhouse gas emissions resulting from the operation of the properties. In principle, greenhouse gas emissions are based on consumption values and emission factors that correspond to the methodological principles of the GHG Protocol Corporate Standard. For the PAM real estate portfolio held directly for investment purposes, the emission factors are based on the CRREM methodology. In 2023, the updated CRREM methodology, which results in adjusted emission factors, was made available. Emissions from its own operating locations and from locations of subsidiaries over which Swiss Life has operational control are reported. The CO_2 emissions of Swiss Life's operating locations are determined using emission factors from the scientific databases Ecoinvent (Version 3.10 dated 2023), Ademe (version 17 dated 2017), International Energy Agency (World Energy Statistics and Balances dated 2018) and Mobitool (version 3 dated 2023).

Fluctuations in consumption values can arise based on the characteristics of properties, for example due to temporary vacancies (e.g. due to repurposing). In addition, purchases, sales and major conversions are excluded from the carbon intensity calculation for the year under consideration. The manual entry of consumption values for properties in Switzerland results in a timelag. For the directly held PAM real estate portfolio, consumption values are read off by automatic meter systems or obtained from ancillary cost statements.

For some properties the data (excluding tenant electricity) is lacking or incomplete. Estimates were used for these properties. In addition, Swiss Life estimates the greenhouse gas emissions resulting from tenant electricity for a large proportion of its properties. These estimates take into account the existing standards and guidelines of the various countries as well as consumption values from previous years. In Switzerland and Germany, Swiss Life uses an estimation method based on the year of construction and the energy efficiency class of the properties. If no energy performance certificate is available, CRREM reference values are used. Deepki reference values are used in France.

When normalising the greenhouse gas emissions of properties (calculation of carbon intensity), Swiss Life is guided by CRREM, taking gross floor area as the basis. The definition of gross floor area corresponds to the specifications of CRREM and the Global Real Estate Sustainability Benchmark (GRESB).

$$\text{Carbon intensity – real estate} = \frac{\text{Greenhouse gas emissions [kg } CO_2e]}{\text{Gross floor area } [m^2]}$$

Securities

MSCI ESG Research LLC defines the carbon intensity for countries regarding production-based greenhouse gas emissions as follows. These include greenhouse gases as defined by the GHG Protocol Corporate Standard:

$$\text{Carbon intensity – country} = \frac{\text{Greenhouse gas emissions [t } CO_2e]}{\text{Nominal GDP [USD million]}}$$

MSCI ESG Research LLC defines the carbon intensity for companies regarding Scope 1 and Scope 2 emissions as follows. These comprise greenhouse gases as defined by the GHG Protocol Corporate Standard.

$$\text{Carbon intensity – corporate} = \frac{\text{Greenhouse gas emissions [t } CO_2e]}{\text{Sales [USD million]}}$$

Weighted average carbon intensity
In order to aggregate the carbon intensity of real estate and issuers at portfolio level, Swiss Life works with the weighted average carbon intensity. The weightings w_i correspond to the portfolio weightings based on gross floor area or comparable types of floorspace for properties, the portfolio weightings based on amortised costs for government and corporate bonds, and the portfolio weightings based on market values for equities.

$$\text{Weighted average carbon intensity} = \sum_i w_i \cdot (\text{carbon intensity})_i$$

Scenario assumptions
The setting of the carbon intensity reduction target for Swiss Life's directly held PAM real estate portfolio is based on the CRREM status at the time, which was in turn based on the "1.5° Celsius Friends of the Earth" scenario.

Further information can be found at www.crrem.eu.

Responsible investment terminologies
In November 2023, in order to promote a convergence of terminologies around responsible investment, PRI, the CFA Institute and the Global Sustainable Investment Alliance (GSIA) jointly published a definition of the approaches they regard as responsible investment.

Further information can be found at https://www.unpri.org/investment-tools/definitions-for-responsible-investment-approaches/11874.article.

List of abbreviations

ACPR	Autorité de contrôle prudentiel et de résolution
BaFin	German Federal Financial Supervisory Authority
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIO	Chief Investment Officer
CO	Code of Obligations
CO_2e	Carbon dioxide equivalent
CRO	Chief Risk Officer
CRREM	Carbon Risk Real Estate Monitor
ECIU	Energy and Climate Intelligence Unit
EIOPA	European Insurance and Occupational Pensions Authority
ESG	Environment, Social, Corporate Governance
FINMA	Swiss Financial Market Supervisory Authority
FOEN	Swiss Federal Office for the Environment
FSB	Financial Stability Board
FTE	Full-time equivalent
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GPS	Group Performance System
GRC	Group Risk Committee
GRESB	Global Real Estate Sustainability Benchmark
GSIA	Global Sustainable Investment Alliance
IAIS	International Association of Insurance Supervisors
ICMA	International Capital Market Association
ICS	Internal control system
IRC	Investment Risk Committee
ISSB	International Sustainability Standards Board
NGFS	Network of Central Banks and Supervisors for Greening the Financial System
NZAMi	Net Zero Asset Managers initiative
ORSA	Own Risk and Solvency Assessment
PACTA	Paris Agreement Capital Transition Assessment
PAI	Principal Adverse Impact
PAM	Proprietary Insurance Asset Management
PRI	Principles for Responsible Investment
SFDR	Sustainable Finance Disclosure Regulation
SIA	Swiss Insurance Association
SIF	State Secretariat for International Finance
TCFD	Task Force on Climate-related Financial Disclosures

Miscellaneous

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TCFD Report 2023
The TCFD Report is published in German and English and contains information on climate-related risks and opportunities in corporate governance, climate strategy, risk management as well as metrics and targets.
The German text is binding in all respects.

The TCFD Report can be found online at: www.swisslife.com/tcfd-report

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There may be minor discrepancies in total figures and percentages in this report due to rounding effects.

We enable people to lead a self-determined life.

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