

Art. 10 SFDR Disclosure for Art. 8 products

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Swiss Life REF (LUX) ESG Commercial Properties Switzerland, FCP-SIF

LEI: LU0820924123

Summary

The Swiss Life REF (LUX) ESG Commercial Properties Switzerland, FCP-SIF (the "Fund") promotes social and environmental characteristics in addition to its other investment objectives, incorporates governance aspects into its investment decisions and takes into account the Principle Adverse Impacts on environmental sustainability factors ("PAIs"). As such, it qualifies as a financial product within the meaning of Art. 8 of 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosure requirements in the financial services sector ("SFDR").

This financial product promotes environmental and social characteristics but does not seek sustainable investments.

In the environmental area, the financial product focuses on climate change mitigation as well as on sustainability risk management and resilience. In the social area, the Fund focuses on enhancing Health, Safety & Wellbeing.

With increased transparency and stakeholder engagement, the financial product also considers governance aspects as part of its investment strategy.

The consideration of environmental and social characteristics shall cover at least 80% of the portfolio. The remaining 20% includes the Fund's liquidity and net receivables.

Both in the purchase and during the management phase of the properties, compliance with the characteristics described above is monitored consistently and by means of standardized procedures and processes. For this purpose, sustainability indicators have been defined that make it possible to measure the achievement of objectives. Internal tools are used to monitor target achievement. Multi-level internal control steps are also implemented.

The financial product does not use a reference benchmark.

No sustainable investment objective

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

Environmental or social characteristics of the financial product

The Fund promotes the following environmental and/or social characteristics:

Environmental

- Climate Change Mitigation
 - Through active monitoring of carbon intensity for existing assets and implementation of dedicated carbon intensity reduction measures
- Managing Sustainability Risk & Resilience
 - Through the use of dedicated climate risk assessments for assets held in portfolio

Social

- Enhancing Health, Safety & Wellbeing
 - Through initiatives such as consultation of existing tenants via the use of satisfaction surveys

Governance

- Increasing Transparency and Stakeholder Engagement
 - Through the obtention of specific asset level building certifications and the participation in fund level external recognition labels

Investment strategy

The objective of the Fund is to maintain a long-term value and to make appropriate income distributions through the acquisition, development and operation of a real estate portfolio situated in Switzerland. In particular, the Fund will focus on investing in the following types of properties:

- commercial properties,

- *mixed used properties*
- *common hold,*
- *co-ownership,*
- *leasehold,*
- *building areas (including buildings for demolition) and buildings under construction.*

The investment strategy shall focus on:

- *investments made in directly held properties in Switzerland with a commercial use,*
- *properties with stable earnings and stable value development that are located in major Swiss cities and their agglomerations,*
- *diversification in terms of major economic areas in Switzerland, by size, age, and structure of the tenants.*

The assessment of ESG factors in the Investment Process of the Fund forms an integral part of the Management Company's fiduciary duties towards its investors and clients.

It is key in the investment process to analyze each investment's ability to create, sustain and protect value to ensure that it will deliver returns whilst meeting the overall ESG objectives of the Fund.

Therefore, environmental, social and governance criteria play an important role for real assets to generate long-term risk-adjusted returns. The Management Company strives for investment decisions that support the environment, economy, and health and wellbeing of society to protect it for the future generations.

Besides standard due diligences processes, potential investments are assessed according to pre-acquisition sustainability criteria in order to assess the risks emerging from ESG factors. These ESG assessments shall be an integral part of every acquisition and its documentation. The outcome of such due diligence may result in the exclusion of some investments or tenants that are not in line with the Fund's ESG criteria or that would expose its portfolio to high levels of sustainability related financial risks. During the holding phase, the Management Company monitors the ESG factors compliance in accordance with the Fund's binding elements.

Furthermore, the main adverse impacts on environmental sustainability factors are taken into account. Specifically, the financial product focuses on the following indicators:

- *Exposure to fossil fuels through real estate assets*
- *Exposure to energy-inefficient 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)*

During the holding period, the Management Company monitors compliance with ESG factors in accordance with the fund's binding elements. The following aspects are binding for the fund:

All environmental and / or social characteristics promoted by the Fund are binding and are fully integrated into its investment strategy. In order to further promote its environmental and / or social characteristics, the Fund has set out to implement an action focused strategy through its main ESG principles.

They are as follows:

Environmental

- *Climate Change Mitigation*
 - *The Fund will actively monitor carbon intensity of its existing portfolio and commit to a carbon intensity reduction target by the year 2030 (baseline 2019)*
- *Managing Sustainability Risk & Resilience*
 - *The Fund will ensure adequate coverage of the existing portfolio by a dedicated climate risk assessment*

Social

- *Enhancing Health, Safety & Wellbeing*
 - *The Fund will ensure that tenants are proactively approached with satisfaction surveys on a regular and systematic basis*

Governance

- *Increasing Transparency and Stakeholder Engagement*
 - *The Fund will ensure that adequate coverage of external fund level recognition labels and/or asset-level building certifications are obtained*

As the Fund will invest in real estate assets, the assessment of good governance practices of the investee companies is not relevant. However, good governance practices will be integrated throughout the supply chain:

- *Assessment of governance at stakeholders' corporate level, covering their internal sourcing framework and how they operate in the labour market*
- *Relevant contractual obligations of major service providers and suppliers (e.g., property managers, suppliers, real estate developers, etc.) including signature of a pertinent "code of conduct" covering inter alia business ethics and human rights*

An additional key aspect which verifies the Fund's good governance aspects is the participation in GRESB, where governance criteria are further evaluated.

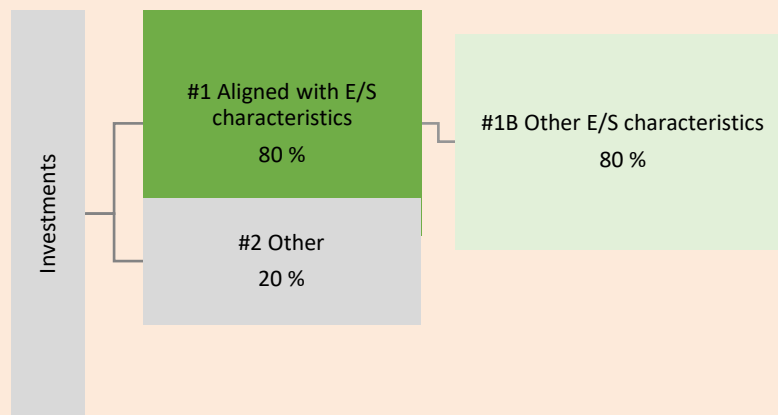
Proportion of investments

#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.

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.



Based on the Fund's investment strategy the binding alignment with E/S characteristics is 80%. The Fund has not committed to making a minimum share of sustainable investments.

The investments included in “#2 Other” are mainly comprised of cash and equivalents and net receivables which are part of the normal activities / operations of the Fund. There are no specific environmental and social safeguards for these however the Management Company has specific internal policies in place in order to ensure investment compliance at all times. The amounts included in this caption only refer specifically to cash items which are not allocated/related to Real Estate activities.

This Fund does not invest in companies and therefore, does not identify any types of exposures in investee companies.

Monitoring of environmental or social characteristics

In order to measure the attainment of each of the environmental and social characteristics promoted by the Fund, the Fund has defined the following control mechanisms: For all defined KPIs according to the ESG strategy which are described below, the fund management has developed a monitoring tool which provides an overview of the current state of the KPI's. The tool displays each KPI and compares the performance of the KPI with the targets. This monitoring is updated at least twice a year. It considers the construction project/developments, the acquisitions, and the standing investments.

In order for this monitoring to be prepared, the Asset Management divisional ESG real estate manager prepares instructions and sends out a data request to the local ESG real estate managers to collect relevant data. It should be noted that depending on the data gathering process, the data could additionally be incorporated at an earlier or later point in time during the year (or even previous year). After checking the received data quality by both the local and Asset Management divisional real estate ESG managers, a specific deadline is given to the local real estate ESG managers for possible corrections.

Then, the Asset Management divisional ESG real estate manager aggregates the received data and calculates pre-defined ESG performance indicators for the Swiss Life Asset Manager real estate ESG report. This report is approved by the real estate management committee and is provided to not only internal but also external stakeholders, such as investors.

Lastly after the data submission was finalized, further measures regarding ESG data (e.g., GRESB gap analysis, improvement of data collection process or clarification of data sources) are identified, which can improve the data availability and coverage. The local ESG manager ensures that the measures are then driven forward.

Methodologies

The Fund has defined a list of sustainability indicators which are displayed below. The KPIs ensure that the E/S characteristics promoted by the fund are attained. The assessment, measurement and monitoring of the sustainability indicators are enabled by the above mentioned monitoring tool. The monitoring tool enables the portfolio manager to steer its capital expenditures and future acquisitions to stay in line with the defined targets.

Type	Sustainability Characteristic	Sustainability Indicator	Calculation
Environment	Managing Sustainability Risk & Resilience	≥75% of assets in portfolio covered by climate risk assessment	= AuM covered by climate risk assessment/total AuM of portfolio
Environment	Climate Change Mitigation	≥25% reduction in carbon intensity (kgCO ₂ e/m ² by 2030 (Baseline: 2019))	= (Current carbon intensity – Carbon intensity 2019) / Carbon intensity 2019
Social	Enhancing Health, Safety & Wellbeing	≥20% of tenants which have received a satisfaction survey	= Number of tenants that received satisfaction survey / total tenants at the end of the reference period
Governance	Increasing Transparency and Stakeholder Engagement	≥25% of gross floor area with an asset level building certification by 2025.	= Gross floor area of certified assets / Total gross floor area of the portfolio at the end of the reference period
Governance	Increasing Transparency and Stakeholder Engagement	100% of AuM participation in external fund level recognition labels	= AuM with external fund level recognition label (GRESB, ISR, Scope etc.) / total AuM

Data sources and processing

Managing Sustainability Risk & Resilience

Share of assets in portfolio covered by climate risk assessment

The climate risk assessment is conducted by an external provider which performs the analysis on an annual basis. Both physical risks and transition risks are assessed. The physical risks are assessed based on GPS coordinates and the value of the properties. The data is available for all properties. The quality of the assessment of transition risks depends on the availability of energy consumption data. If energy consumption data is not available for a specific asset, the corresponding data gaps are approximated with an estimated value (see “% of carbon intensity reduction” for information on data sources for energy consumption data and methodologies for estimates).

Climate Change Mitigation

% Reduction in carbon intensity

Greenhouse gas emissions are calculated from energy consumption data collected via the property managers utility bills, smart metering, and other data sources (including but not limited to total electricity surveys with electric utilities). The provided energy consumption data are checked for plausibility using property-type specific limit values in the local ESG database. Values that are deemed implausible are further clarified with the respective data provider. If there is no sufficient justification, the corresponding data is replaced by estimated values. The estimated values are based on SIA 2040, are property type specific and are also used for properties where no energy consumption data could be collected. Following the plausibility checks and the filling of gaps with estimates, the GHG emissions and the intensity figures are calculated according to the CO₂ coefficients and methodology provided by CRREM.

Enhancing Health, Safety and Wellbeing

Share of tenants which have received a tenant survey

Tenant satisfaction surveys are conducted in collaboration with an external service provider on an annual basis. Tenant selection follows a structured selection process, with tenants being interviewed on a rolling basis. The survey is based on a structured questionnaire. The results of the tenant satisfaction survey are analyzed on the one hand as part of a presentation by the external service provider and on the other hand the results are made available in an online tool. The online tool is also used to implement appropriate measures at property level. No estimation possible.

Increasing Transparency and Stakeholder Engagement

Building certification coverage

Building certifications are pursued on asset level and used to assess a building or a construction project's performance from a sustainability perspective (e.g., LEED, BREEAM, DGNB, SNBS, Minergie). The data source are the external documents from our service providers which state the building certifications and the applicable building area coverage. No estimated values for building certifications are applied. However, in rare cases, the gross floor area of a property is not available. In these cases, the gross floor area is approximated from the rentable area using property type specific area factors.

Participation in external fund level recognition labels

Fund level external recognition labels independently evaluate and rate ESG management and performance of the fund and its investment portfolio. They include but are not limited to GRESB, ISR and Scope. The source is the confirmation of the external recognition label. No estimation possible.

Limitations to methodologies and data

In order to measure the sustainability indicators, the Fund obtains raw data (mainly energy consumption data) from the property management as well as other data suppliers. The raw data is processed according to predefined methodologies which are in line with the most common state of the art applications that are available. Despite appropriate plausibility checks and control processes, errors and/or inaccuracies in the received raw data, the processing of raw data and/or the methodologies applied by external service providers cannot be completely ruled out. Gaps in the availability of data also have to be filled with estimates which reduces the quality of the analyses. Furthermore, a limiting factor is that current applications (CRREM, GRESB, etc.) are currently still undergoing major changes/updates and therefore material changes due to adjustments to the methods cannot be ruled out.

Due diligence

A transaction process includes an ESG assessment, our internal ESG due diligence. Sustainability/ESG characteristics which are relevant for the use and operation of the property and determine the potential for improvement are collected, taking into account not only social aspects such as tenant satisfaction but also environmental aspects such as renewable energy sources. Besides standard due diligence processes, potential investments are assessed according to pre-acquisition sustainability criteria in order to assess the risks emerging from ESG factors. These ESG assessments are an integral part of every acquisition and its documentation. As described above, the outcome of such due diligence may result in the exclusion of some investments or tenants that are not in line with the Fund's ESG criteria or that would expose its portfolio to high levels of sustainability related financial risks. The ESG divisional and local team are responsible for approving the ESG assessment.

Depending on the stage in the transaction, our internal ESG due diligence (ESG assessment) is subject to different internal controls. Before closing the transaction, a technical due diligence is conducted, which enables the risks that are inherent in the property acquisition to be managed and comprises data on the building structure, statutory compliance, ground contamination and hazardous materials, relevant building documentation and certification as well as an estimation of capital expenditure needed to also reach the expected ESG performance and target rents from fit-out. After the closing, to monitor the defined ESG assessment activities, a post-acquisition report has to be provided on the status of compliance of the predefined target of these measures. Furthermore, the fund management is required to conduct an assessment based on the targets of these measures as well.

During the holding phase, Swiss Life Asset Managers Luxembourg monitors the ESG factors compliance in accordance with the Fund's binding elements.

Engagement policies

As an engagement policy the Fund focuses on tenant engagement as one of its core objectives. Through tenant surveys the Fund aims to further understand key issues which are important to our tenants. The survey results are used to better our services and stakeholder engagement. A further engagement policy that the Fund implements is with its direct suppliers. All of the new suppliers that the Fund engages with a risk-based screening is implemented as well as ensuring that minimum safeguards are addressed through different channels: contract, supplier code of conduct or awareness raising.

More information is available online at the following web address: [Engagement Policy \(swisslife-am.com\)](https://www.swisslife-am.com/Engagement-Policy)

Designated reference benchmark

There is no designated reference benchmark for this Fund.

Additional documentation and information:

The periodic reporting of the fund as well as its prospectus (including the SFDR precontractual annex) are available from the Management Company. This information is sent within one week on the shareholder's written request to Investor Service, Swiss Life Asset Managers Luxembourg, 4a Rue Albert Borschette, L-1246 Luxembourg; by email to investor-services@swisslife-am.com, or by telephone on +352 267 58 50. 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 [KID, if applicable]), 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.com

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Zusammenfassung

Neben seinen anderen Anlagezielen bewirbt der Swiss Life REF (LUX) ESG Commercial Properties Switzerland, FCP-SIF (der „Fonds“) ökologische Merkmale, bezieht Aspekte der Unternehmensführung in seine Anlageentscheidungen ein und berücksichtigt auch die wichtigsten nachteiligen Auswirkungen („PAI“). Damit erfüllt er die Voraussetzungen eines Finanzprodukts gemäß Art. 8 der Verordnung (EU) 2019/2088 des Europäischen Parlaments und des Rates vom 27. November 2019 über nachhaltigkeitsbezogene Offenlegungspflichten im Finanzdienstleistungssektor („Offenlegungsverordnung“).

Mit diesem Finanzprodukt werden ökologische und soziale Merkmale beworben, jedoch keine nachhaltigen Investitionen angestrebt.

In Bezug auf Umweltaspekte liegt der Schwerpunkt des Finanzprodukts auf dem Klimaschutz und der Steuerung von Nachhaltigkeitsrisiken sowie auf Widerstandsfähigkeit. Soziale Merkmale werden durch die Konzentration auf die Verbesserung von Gesundheit, Sicherheit und Wohlbefinden beworben.

Durch zunehmende Transparenz und die Verpflichtung von Interessengruppen werden auch Aspekte der Unternehmensführung als Teil der Anlagestrategie des Finanzprodukts berücksichtigt.

Ökologische und soziale Merkmale werden für mindestens 80% des Portfolios berücksichtigt. Die verbleibenden 20% umfassen vorrangig die Liquidität des Fonds sowie Nettoforderungen.

Sowohl beim Kauf als auch während der Verwaltungsphase der Immobilien wird die Konformität mit den oben beschriebenen Merkmalen konsequent und mittels standardisierter Verfahren und Prozesse überwacht. Zu diesem Zweck wurden Nachhaltigkeitsindikatoren definiert, die es ermöglichen, die Erreichung der Ziele zu messen. Zur Überwachung der Zielerreichung kommen interne Tools zum Einsatz. Auch mehrstufige interne Kontrollschritte werden durchgeführt.

Für das Finanzprodukt wurde kein Referenzwert bestimmt.