

Swiss Life Funds (LUX)

Bond 12M

Legal entity identifier: 254900JH715YJGFFMY02

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Summary

This sub-fund falls within the scope of Article 8 under the Sustainable Finance Disclosure Regulation (SFDR) of the EU. The sub-fund promotes environmental and social characteristics but does not have as its objective a sustainable investment.

The sub-fund aims to outperform its reference universe in the following way:

- Reach a lower carbon footprint than its reference universe, measured in tCO₂/MEUR (tons of carbon dioxide emissions per million of euro invested in the sub-fund) including all direct and indirect carbon emissions (scope 1, 2 and 3)

Furthermore, the sub-fund aims to reach a ratio of sustainable investment of 5%.

The reference universe used is the Bloomberg Euro Corporate Bond 1-3 Year TR Index, an index that does not take into account ESG factors.

All key performance indicators (KPIs) are fed from MSCI ESG into our portfolio management and risk system and are monitored on a daily basis by the investment controlling team and risk management team.

Swiss Life Asset Managers may seek to engage/or exercise its voting rights with portfolio companies on relevant ESG issues.

Please refer to the bottom of the document for a French and German translation of this summary.¹⁾

1) The English version of this summary is the legally binding version whereas the French and German summaries are translations only.

No sustainable investment objective

This financial product promotes environmental or social characteristics, and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 5% of sustainable investments. This is achieved by investing in:

- Corporate issuers that have robust net-zero commitments and targets aligned with recognized frameworks (e.g. MSCI net zero tracker), or derive a significant proportion of their revenues or other measurable metrics from activities that meet these objectives, or use the proceeds of issued green bonds that meet these objectives;
- and sovereign issuers by considering the share of their expenditures towards achieving climate and social objectives, such as reducing greenhouse gas emissions, adopting renewable energy, or addressing inequality.

The sustainable investments made by the financial product adhere to stringent Do No Significant Harm (DNSH) and Good Governance assessments.

Environmental or social characteristics of the financial product

The sub-fund promotes the following environmental and social characteristic:

- lower carbon footprint than its reference universe

Investment strategy

The sub-fund manages its portfolio of investments according to the Swiss Life Asset Managers' [Responsible Investment Policy](#) and follows the following investment strategy:

ESG approach: The sub-fund's ESG approach is defined in comparison with its reference universe, considered representative of the fund's investment strategy.

The sub-fund aims to outperform its reference universe in the following way:

- reach a lower carbon footprint than its reference universe, measured in tCO₂/MEUR (tons of carbon dioxide emissions per million of euro invested in the sub-fund) including all direct and indirect carbon emissions (scope 1, 2 and 3).

Furthermore, the sub-fund aims to reach a ratio of sustainable investment of 5%

The reference universe used is the Bloomberg Euro Corporate Bond 1-3 Year TR Index, an index that does not take into account ESG factors.

The sub-fund excludes investments in issuers:

- Companies which are failing at least one of the ten UNGC principles or other ethical standards or are causing severe environmental damage and serious human rights abuse
- Companies involved in controversial weapons
- Companies which generate more than 10% of their revenues from mining or selling thermal coal

Active ownership: Swiss Life Asset Managers may seek to engage/or exercise its voting rights with portfolio companies on relevant ESG issues

The sub-fund's binding elements are:

- Exclusion of investments in issuers involved in the activities listed in the Swiss Life Asset Managers sectorial and norms-based exclusions
- lower carbon footprint than the reference universe
- sustainable investment of at least 5%
- Minimum 80% of its NAV, and 90% of assets excluding cash, covered by ESG investment criteria, and consequently promoting E/S characteristics.

Policy to assess good governance practices of the investee companies: The sub-fund assesses companies' governance practices including:

- Sound management structures
- Employee relations
- Remuneration of staff
- Tax compliance

Good Governance is considered by the application of Swiss Life Asset Managers normative exclusions (i.e. breaches of the UN Global Compact) and assessment of material controversies, using both external data providers and internal qualitative research.

Swiss Life Asset Managers considers the following standards within this process: The UN Global Compact (UNGC), the UN Guiding Principles on Business and Human Rights (UNGP), the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (OECD Guidelines) and the International Labour Organization Conventions (ILO).

Details are set out in Swiss Life Asset Managers Responsible Investment Policy (<http://www.swisslife-am.com/ri-policy>).

Proportion of investments

The sub-fund is expected to invest at least 80% of its NAV and 90% (excluding cash) in issuers that are covered by ESG investment criteria and consequently aiming to promote E/S characteristics. These instruments can be equities, bonds and/or UCITS/UCIs.

The sub-fund is allowed to invest the remainder of its NAV in remaining investments, such as cash, cash equivalents, derivative instruments and/or instruments that are not covered by any ESG investment criteria.

Further, the sub-fund is expected to invest at least 5% of its NAV in issuers that are sustainable investments.

Monitoring of environmental or social characteristics

The monitoring of environmental and/or social characteristics is built on the three lines of defense model, supported by formal governance processes, individual responsibilities, and senior management oversight, ensuring independent risk monitoring and control activities.

- First Line of Defense: The Portfolio Manager is responsible for identification, assessment, controlling and management of environmental and/or social characteristics and the sustainability indicators on a day-to-day basis.
- Second Line of Defense: Investment controlling team and risk management team are responsible for oversight and guidance ensuring that environmental and/or social characteristics and the sustainability indicators are systematically monitored and remain compliant.
- Third Line of Defense: Independent assurance of effectiveness and efficiency of processes on environmental and/or social characteristics and the sustainability indicators monitoring (audit functions).

Methodologies

Carbon footprint methodology (MSCI ESG Research)

The sub-fund has chosen carbon footprint as an indicator to promote environmental characteristics. The data comes from the rating agency MSCI ESG Research. It covers the three scopes of greenhouse gas emissions from companies:

- Scope 1: greenhouse gas emissions directly generated by companies' activities
- Scope 2: greenhouse gas emissions generated by the production of electricity used by companies

- Scope 3: greenhouse gas emissions generated by companies' suppliers (upstream of companies' activities) and when customers use the products and services sold by companies (downstream of companies' activities).

For scopes 1 and 2, MSCI relies primarily on information provided by companies; however, if a company does not report its scope 1 and 2 carbon emissions, MSCI estimates them using a proprietary methodology. MSCI ESG Research uses one of the following three models, in order of preference, to estimate the carbon emissions of any company:

1. Production model: specific to electricity utilities that generate energy, based on their energy production mix.
2. Company-specific intensity model: based on historical data.
3. Industry-specific intensity model: based on a comparison between industries when companies have not reported emissions data in the past.

For scope 3, the level of reporting by companies is still low. Furthermore, when information is disclosed, the scope used for the calculation is often inconsistent. As a result, MSCI has developed a model to estimate scope 3 greenhouse gas emissions. This model is used for all companies, thereby enabling better comparability of data.

MSCI has developed a method for estimating scope 3 emissions across 15 categories using a combination of revenue estimates and production data. These 15 categories cover 'upstream' and 'downstream' emissions and are as follows: purchased goods, services and capital goods, fuel and energy-related activities, transport and distribution, waste generated by operations, business travel, employee travel, upstream leased assets, processing of goods sold, use of goods sold, downstream leased assets, franchises and investments. Each category follows a specific approach and formula to estimate the relevant carbon emissions. It should be noted that all 15 categories do not apply to every company. In general, MSCI uses two different approaches for estimation: bottom-up (company-specific information) and top-down (category-specific information). If bottom-up data is available, MSCI uses it as a priority. If not, MSCI relies on top-down information.

Sustainable investment methodologies

Methodology for identifying instruments issued by companies credibly committed to carbon neutrality:

To assess the credibility of a company's climate-related commitments, Swiss Life Asset Managers considers the following criteria in particular:

- the ambition to contribute to carbon neutrality by 2050,
- the definition of quantified targets for reducing greenhouse gas emissions that are consistent with this ambition of carbon neutrality,
- the fact that these quantified targets cover a significant scope – at least 75% – of its total emissions (scope 1, 2 and 3),
- or the fact that the undertaking is actually keeping to the pace of the reduction trajectory.

To conduct this analysis, Swiss Life Asset Managers relies on data from the rating agency MSCI ESG Research.

Methodology for analysing and selecting green, social or sustainable instruments

The Management Company carries out a specific analysis to ensure the credibility and soundness of the commitments made by issuers at the time of issuance of these instruments and during their lifetime.

The Management Company verifies compliance with the criteria defined by the “Green Bonds Principles” of the International Capital Market Association (ICMA) relating to:

- the description and management of the use of funds: the objects of financing must be clearly identified and described in the regulatory documentation relating to the issue of the instrument and provide an easily identifiable environmental or social benefit;
- the project evaluation and selection process: an issuer of green, social or sustainable instruments must specify (i) the processes, (ii) the selection criteria and (iii) the environmental or social objectives that led to the selection of the projects financed;
- the management of the funds raised: the funds raised must be managed according to a blocking principle (dedicated accounts or portfolios) or be the subject of a mechanism to track financing transactions. It must be possible to monitor the level of financing reached on a regular basis;
- Reporting: issuers must publish regularly (at least annually) information on the actual use of funds and the impact of eligible projects financed.

Swiss Life Asset Managers also conducts an analysis of the use of the funds to verify whether each instrument is used to finance concrete and credible environmental and social cohesion projects.

To conduct these verifications, the Management Company relies in particular on documents published by the issuer (e.g. the description of the green issuance program or “framework”) and second-party opinions (external review of the extra-financial features of the instrument). Swiss Life Asset Managers France also relies on data provided by an external service provider.

Data sources and processing

As part of its ESG analysis of issuers, the portfolio manager relies on internal and external data sources to attain each of the environmental and social characteristics promoted.

KPI	Data sources used to attain each of the environmental or social characteristics promoted	Measures taken to ensure data quality	Data processing	Proportion of data that are estimated
Reach a lower carbon footprint than its reference universe, measured in tCO ₂ /MEUR (tons of carbon dioxide emissions per million of euro invested in the sub-fund) including all direct and indirect carbon emissions (scope 1, 2 and 3)	MSCI ESG, complemented by an inhouse calculation	The data from MSCI is fed via file transfer protocol (ftp) transfer. Before the data is stored in our portfolio and risk management systems, broad data quality checks are conducted. Several automated checks ensure good data quality in terms of format, mapping and consistency on a daily basis.	Data is taken as it is from the data provider and fed into our portfolio management and risk system	Data for scope 3 are estimates.
Exclusions	<ul style="list-style-type: none"> • MSCI ESG • Financial Action Task Force (FATF) • Schweizer Verein für verantwortungsbewusste 		Data is taken as it is from the data provider and fed into our portfolio management and risk system	none

	Kapitalanlagen (SVVK-ASIR) <ul style="list-style-type: none"> SIX 			
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Limitations to methodologies and data

To determine the extra-financial quality of the securities in the portfolios, the sub-fund relies on various sources of data and methodologies. The main methodological limitations can be summarized as follows:

Limitations of the carbon footprint methodology (MSCI ESG Research)

- Estimation model for scope 3: The information provided by companies on scope 3 greenhouse gas emissions is still limited and inconsistent. For this reason, the methodology used by Swiss Life Asset Managers is based on data estimated by MSCI ESG Research. As with any estimated model, this implies a certain degree of uncertainty regarding the data. However, Swiss Life Asset Managers considers this approach to be reasonable, as the use of estimates for scope 3 ensures greater overall consistency than the use of partial information provided by companies.
- Double counting of carbon emissions: the same carbon emissions may be counted twice for two companies that have a customer-supplier relationship – first as scope 1 for the supplier company, and then as scope 3 for the customer company. To reduce this problem, MSCI has constructed a correction coefficient based on a data set of 12,000 companies. However, it should be noted that residual double counting affects the calculation of the carbon footprint for both the sub-fund and its benchmark universe. Swiss Life Asset Managers therefore considers that the data remains comparable between the sub-fund and the benchmark universe, and that double counting does not disrupt the sub-fund's ESG approach.

Limitations of sustainable investment methodologies

Methodology for analysing carbon neutrality commitments made by companies

In order to carry out this assessment, the Management Company relies on data provided by a rating agency, MSCI ESG Research. The Management Company depends on the quality of the analyses carried out by the agency. Nevertheless, it puts in place a targeted control and may contact the agency if it receives data that does not appear consistent.

Methodology for analysing green, social or sustainable instruments

Green, social or sustainable instruments are analysed on the basis of the documentation published by the issuers. When issuing a new instrument, the Management Company relies on the intentions initially communicated by the issuer regarding the use of the proceeds of the issue. These intentions are sometimes unclear. In this case, the Management Company may make its own interpretations and may contact the issuer to obtain additional information. A check is carried out after the instrument is purchased, when the allocation report is made available, i.e. generally within 12 months of the issue.

Due diligence

Direct investments: The portfolio manager conducts due diligence reviews of all internal and external data on an ongoing basis, and continuously assesses if new data providers can improve the analysis and models.

Indirect investments: The underlying funds managed by management companies outside the Swiss Life Group have their own methodologies for taking ESG criteria into account. An analysis of these methodologies, both quantitative and qualitative, is carried out by Swiss Life Asset Managers in order to ensure that the approaches are consistent.

Engagement policies

Swiss Life Asset Managers has an overarching engagement and voting activities approach which does not target any fund or product specifically, but rather investee companies.

Therefore, there is no specific engagement policy at the level of the sub-fund, but engagement may occur at the level of investee companies that may be included in the portfolio of the sub-fund.

Designated reference benchmark

The sub-fund uses a variety of ways to assess its environmental and/or social performance, but does not use a reference benchmark to assess the environmental and/or social characteristics it promotes.

Additional documentation and information: The periodic reporting of Swiss Life Funds (LUX) as well as its prospectus (including the SFDR precontractual appendices) are available from Swiss Life Asset Managers Luxembourg as well as on the website <https://invest.swisslife-am.com/>. The periodic disclosure of the sub-fund in the annual report can be found at the end of the document. This information is sent within one week on the shareholder's written request to Swiss Life Investor Service, Swiss Life Asset Managers Luxembourg, 4a rue Albert Borschette L-1246 Luxembourg, Grand Duchy of Luxembourg; by email to info@swisslife-am.com, or by telephone on +352 267 585 0. These contact details can also be used to request further information if necessary

Résumé

Ce compartiment relève du champ d'application de l'Article 8 du Règlement sur la publication d'informations en matière de durabilité dans le secteur des services financiers (SFDR) de l'UE. Il promeut des caractéristiques environnementales et sociales mais n'a pas pour objectif l'investissement durable.

Le compartiment vise à surperformer son univers de référence comme suit:

- Présenter une empreinte carbone plus faible que son univers de référence, mesurée en tonnes d'émissions de dioxyde de carbone par million d'euros investis dans le compartiment (tCO₂/MEUR) et incluant l'ensemble des émissions directes et indirectes (scopes 1, 2 et 3)

En outre, le compartiment vise à atteindre un ratio d'investissement durable de 5%.

L'univers de référence utilisé est l'indice Bloomberg Euro Corporate Bond 1-3 Year TR, qui ne prend pas en compte les facteurs ESG.

Tous les indicateurs clés de performance (ICP) découlent de données MSCI ESG et sont intégrés dans notre système de gestion des portefeuilles et des risques. Ils sont surveillés quotidiennement par les équipes en charge du contrôle des investissements et de la gestion des risques.

Swiss Life Asset Managers peut chercher à s'engager et/ou à exercer ses droits de vote auprès des sociétés en portefeuille au sujet de questions ESG pertinentes.^(*)

(*) La version anglaise du présent résumé est la version juridiquement contraignante, alors que les résumés français et allemand ne sont que des traductions.

Zusammenfassung

Dieser Teilfonds fällt in den Anwendungsbereich von Artikel 8 der EU-Offenlegungsverordnung (SFDR). Der Teilfonds bewirbt ökologische und soziale Merkmale, hat jedoch keine nachhaltigen Investitionen zum Ziel.

Der Teilfonds ist bestrebt, sein Referenzuniversum auf folgende Art zu übertreffen:

- ein kleinerer CO₂-Fußabdruck als sein Referenzuniversum, gemessen in Tonnen CO₂/Mio. EUR (CO₂-Emissionen in Tonnen je in den Teilfonds investierter Million EUR) einschließlich aller direkten und indirekten CO₂-Emissionen (Scope 1, 2 und 3)

Außerdem strebt der Teilfonds einen Anteil von 5% an nachhaltigen Investitionen an.

Als Referenzuniversum dient der Bloomberg Euro Corporate Bond 1-3 Year TR Index; dieser Index berücksichtigt keine ESG-Faktoren.

Alle Leistungskennzahlen (Key Performance Indicators, KPI) stammen von MSCI ESG. Sie werden in unser Portfolioverwaltungs- und -risikosystem integriert sowie täglich durch das Anlagekontrollteam und das Risikomanagementteam überwacht.

Swiss Life Asset Managers kann in Bezug auf relevante ESG-Themen mit Portfoliounternehmen in den Dialog treten oder seine Stimmrechte bei ihnen entsprechend ausüben.^(*)

(*) Die englische Version dieser Zusammenfassung ist rechtlich verbindlich, bei der französischen und der deutschen Version handelt es sich lediglich um Übersetzungen.

Review of disclosures

As required by Article 12 of the SFDR, please find below the explanation of the amendments brought to the website disclosures, published in accordance with Article 10 of the SFDR:

Date	Explanations of amendments
December 2025	Initial document created.

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 sub-fund of Swiss Life Funds (LUX). 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 shares of Swiss Life Funds (LUX). 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 prospectus, articles of association, periodic reports, PRIIPS KIDs), which serve as the sole applicable legal basis for the purchase of fund shares. More information is available at www.swisslife-am.com. Source: Swiss Life Asset Managers / ©2022. All rights reserved. Customer Service: info@swisslife-am.com.