



CLIMATE TRANSPARENCY REPORT 2020

Swiss Life Asset Managers

About the Climate-related Disclosure Indicators

Climate has been identified as a top priority for PRI signatories, with over 70% of asset owners reporting this as the most important long-term trend they are acting on.

The FSB Task Force's guidance on climate-related financial disclosure aim to create a single framework for disclosure on assessment and management of climate-related risk. The recommendations, supported by investors representing US\$22 trillion, identify four main disclosures, Governance, Strategy, Risk Management, Metrics and Targets, and include specific guidance for asset owners and managers.

As a result, the PRI introduced climate-related disclosure indicators that can be used to align with the TCFD recommendations in the 2020 PRI Reporting Framework.

About this report

This report is an export of only the climate-related indicators from the 2020 Reporting Framework response. The full Public Transparency Report is available here (<https://reporting.unpri.org/surveys/PRI-reporting-framework-2020/-981C3A17-306C-4F73-9CF4-0259CEAF9A3F/79894dbc337a40828d895f9402aa63de/html/2/?lang=en&a=1>). It shows the responses to all the completed climate indicators, even those you chose to keep private. It is designed for your internal review or – if you wish - to share with your stakeholders.

The PRI will not publish this report on its website if you have designated your 2020 climate reporting as “private”. Otherwise, you will be able to access the Climate Transparency Report of your organisation and that of other signatories on the [PRI website](#) and on the [Data Portal](#).

To easily locate information, there is a **Recommendation index** which summarises the indicators that signatories complete and disclose. The report presents information exactly as it was reported as per signatory preference. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory are presented in this report.

TCFD Recommendations Index

Strategy and Governance - CC			TCFD Recommendation			
Indicator	Reported	Disclosure	Governance	Strategy	Risk Management	Metrics & Targets
SG 01.6 CC	✓	Public				
SG 01.7 CC	✓	Public				
SG 01.8 CC	-	Public				
SG 01.9 CC	✓	Public				
SG 01.10 CC	✓	Public				
SG 07.5 CC	✓	Public				
SG 07.6 CC	✓	Public				
SG 07.7 CC	✓	Public				
SG 07.8 CC	✓	Public				
SG 13.1	✓	Public				
SG 13.2	✓	Public				
SG 13.4 CC	✓	Public				
SG 13.5 CC	✓	Public				
SG 13.6 CC	✓	Public				
SG 13.7 CC	✓	Public				
SG 13.8 CC	✓	Public				
SG 14.1	✓	Public				
SG 14.2	✓	Public				
SG 14.3	✓	Public				
SG 14.6 CC	✓	Public				
SG 14.7 CC	-	Public				
SG 14.8 CC	✓	Public				
SG 14.9 CC	✓	Public				
SG 15.1	✓	Public				
SG 15.2	✓	Public				
SG 15.3	✓	Public				

Symbol	Status
✓	The signatory has completed this sub-indicator
-	The signatory did not complete this sub-indicator.
	This indicator is relevant to the named TCFD recommendation
Within the first column "Indicator", indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.	

ORGANISATIONAL OVERVIEW

This section provides an overview of your organisation. These characteristics are used to define your peer groups.

MAIN CHARACTERISTICS	
Name	Swiss Life Asset Managers
Signatory Category	Fund Management - Majority
Signatory Type	Investment Manager
Size	US\$ > 50 billion AUM
Main Asset Class	Multi-Asset
Signed PRI Initiative	2018
Region	Europe
Country	Switzerland
Disclosure of Voluntary Indicators	88% from 38 Voluntary indicators

Swiss Life Asset Managers

Reported Information

Public version

Strategy and Governance

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Investment policy

SG 01	Mandatory	Public	Core Assessed	General
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New selection options have been added to this indicator. Please review your prefilled responses carefully.

SG 01.1 Indicate if you have an investment policy that covers your responsible investment approach.

SG 01 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 01.6 CC Indicate whether your organisation has identified transition and physical climate-related risks and opportunities and factored this into the investment strategies and products, within the organisation's investment time horizon.

Yes

Describe the identified transition and physical climate-related risks and opportunities and how they have been factored into the investment strategies/products.

For more details see Swiss Life Asset Manager's approach to responsible investment - published online on <https://www.swisslife-am.com/responsible-investment>.

Securities

The Paris Climate Agreement intends to reduce the drivers of climate change, such as CO2 emissions. Swiss Life Asset Managers has identified coal as a major contributor to climate change. Therefore, investments in thermal coal face high transitional risks of becoming stranded assets.

Swiss Life supports the targets of the Paris Climate Agreement by adopting a thermal coal phase-out strategy for its proprietary assets. In order to manage the risk of stranded assets, the thermal coal phase-out plan defines that no new bond investments are undertaken in companies that derive $\geq 10\%$ of revenues from thermal coal.

Real Estate

Swiss Life Asset Managers has identified four KPIs in order to integrate climate-related risks and opportunities in the operation and development of real estate investments: Water, Waste, GHG Emissions and Energy usage. These KPIs are embedded in the core processes of all steps in the investment cycle (acquisition, development and operation) in order to manage the climate-related risks of standing assets and to seize climate-related opportunities in current operations. For example, measures are taken regarding energy efficiency and GHG emissions:

- Replacement of fossil fuel heating systems with renewable energies where economically viable
- Tenant engagement through information about energy and water saving potentials.

Further systematic analysis of climate impacts on our portfolio were conducted. In France, physical risks assessments were performed on a subset of the portfolio and publicly reported.

Infrastructure

For Swiss Life Asset Managers, infrastructure has an important role to play in the low carbon transition. Therefore, considering ESG factors is key in the acquisition and monitoring process for all infrastructure investments. Further, Swiss Life Asset Managers has enhanced its approach to low carbon assets, with the recent acquisition of a specialized investment manager, who puts a special weight on climate-related opportunities and risks, as it focuses its investments solely on renewable energy infrastructure.

General

Swiss Life Asset Managers assessed climate risks for portfolios in specific units, as required by national regulation (Art. 173 LTECV in France). In addition, a climate risk assessment framework is under development and will be rolled out to the whole division in order to better integrate physical and transitional risks in the asset valuation and the interface to the liabilities. The progress of these developments will be published in this year's Swiss Life Asset Managers ESG Investing Report and next

year's Swiss Life Group Corporate Sustainability Report both aligned with the TCFD.

No

**SG 01.7
CC**

Indicate whether the organisation has assessed the likelihood and impact of these climate risks?

Yes

No

Describe why your organisation has not yet assessed the likelihood and impact of climate risks

Swiss Life Asset Managers aims first to better understand the models and data underlying the calculation of the impacts of climate change and then to report Swiss Life Asset Managers' understanding in a TCFD-aligned report. It integrates external data providers in these analyses.

Swiss Life Asset Managers contributes to a Swiss Life Group-wide project with risk specialists of all entities. This project is set to develop an approach for the integration of climate risks (physical as well as transitional) into the asset liability models for equity, bond and real estate investments.

**SG 01.8
CC**

Indicate whether the organisation publicly supports the TCFD?

Yes

No

**SG 01.9
CC**

Indicate whether there is an organisation-wide strategy in place to identify and manage material climate-related risks and opportunities.

Yes

No

Describe how and over what time frame the organisation will implement an organisation-wide strategy that manages climate-related risks and opportunities.

See SG 01.7 CC

**SG 1.10
CC**

Indicate the documents and/or communications the organisation uses to publish TCFD disclosures.

- Public PRI Climate Transparency Report
- Annual financial filings
- Regular client reporting
- Member communications
- Other
- We currently do not publish TCFD disclosures

Governance and human resources

SG 07.5 CC	Indicate the roles in the organisation that have oversight, accountability and/or management responsibilities for climate-related issues.
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Board members or trustees

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Investment Committee

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other Chief-level staff or heads of departments

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Portfolio managers

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investment analysts

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Dedicated responsible investment staff
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- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Investor relations

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (1)

Marketing & Communication

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

Other role, specify (2)

Legal & Compliance

- Oversight/accountability for climate-related issues
- Assessment and management of climate-related issues
- No responsibility for climate-related issues

**SG 07.6
CC**

For board-level roles that have climate-related issue oversight/accountability or implementation responsibilities, indicate how these responsibilities are executed.

While climate change is not singled out as a separate item in Swiss Life Asset Managers' organizational rules, clear roles and responsibilities, both at the level of the Swiss Life Board of Directors and Swiss Life Asset Managers' management, ensure effective oversight and action with respect to climate change-related risks.

**SG 07.7
CC**

For management-level roles that assess and manage climate-related issues, provide further information on the structure and processes involved.

Management level roles assume oversight and implementation function as part of their overall responsibilities in Swiss Life Asset Managers' risk framework. (See also SG 07.6 CC.)

The Head ESG and CIO, together with the Chief Risk Officer (CRO), are responsible for developing and implementing the climate-related risk framework. This includes defining a robust governance, and analysing and assessing risk models and data availability in all relevant asset classes, particularly securities and real assets.

Swiss Life Asset Managers' activities are coordinated in the context of a corresponding project with Swiss Life Group. This project directly reports to the Executive Board of the Swiss Life Group, particularly to the Group CEO, Group CRO and the Group CIO. The Group CIO is accountable for the development and implementation of Swiss Life Asset Managers' approach to responsible investment, including climate-related considerations on risks and opportunities. The Group CRO is responsible for the incorporation of ESG and climate-related risks into asset-liability-models.

**SG 07.8
CC**

Indicate how your organisation engages external investment managers and/or service providers on the TCFD recommendations and their implementation.

- Request that external managers and/or service providers incorporate TCFD into mainstream financial filings (annual financial reports, other regulatory reporting or similar)
- Request incorporation of TCFD into regular client reporting
- Request that external managers complete PRI climate indicator reporting
- Request responses to TCFD Fund Manager questions in the PRI Asset Owner Guide
- Other
- We do not engage with external managers and/or service providers on the TCFD recommendations and their implementation

ESG issues in asset allocation

SG 13	Mandatory	Public	Descriptive	PRI 1
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SG 13.1 Indicate whether the organisation carries out scenario analysis and/or modelling, and if it does, provide a description of the scenario analysis (by asset class, sector, strategic asset allocation, etc.).

- Yes, in order to assess future ESG factors
- Yes, in order to assess future climate-related risks and opportunities

Describe

In 2019, Swiss Life Asset Managers France conducted an analysis of the securities portfolio and the real estate portfolio with an external provider in order to get information about the transitional and physical risks of their portfolio. The results were presented in the Art. 173 report of Swiss Life France.

- No, our organisation does not currently carry out scenario analysis and/or modelling

SG 13.2 Indicate if your organisation considers ESG issues in strategic asset allocation and/or allocation of assets between sectors or geographic markets.

We do the following

- Allocation between asset classes
- Determining fixed income duration
- Allocation of assets between geographic markets
- Sector weightings
- Other, specify

Several ESG and climate-related factors are taken into account in the asset allocation as e.g. revenue from thermal coal or ESG controversies.

- We do not consider ESG issues in strategic asset allocation

SG 13 CC	Mandatory to Report Voluntary to Disclose	Public	Descriptive	General
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SG 13.4 CC Describe how your organisation is using scenario analysis to manage climate-related risks and opportunities, including how the analysis has been interpreted, its results, and any future plans.

- Initial assessment

Describe

See SG 13.1 and SG 7.7.

- Incorporation into investment analysis
- Inform active ownership
- Other

SG 13.5
CC

Indicate who uses this analysis.

- Board members, trustees, C-level roles, Investment Committee
- Portfolio managers
- Dedicated responsible investment staff
- External managers
- Investment consultants/actuaries
- Other

SG 13.6
CC

Indicate whether your organisation has evaluated the potential impact of climate-related risks, beyond the investment time horizon, on its investment strategy.

- Yes
- No

Please explain the rationale

Swiss Life's investment strategy is designed on a sustainable and long-term basis and harmonised with insurance liabilities. The company's investment policy is oriented towards long-term and stable returns. But Swiss Life and Swiss Life Asset Managers acknowledges and supports the targets of the Paris Climate Agreement as an asset owner respectively asset manager.

Increasing the resilience of our clients' investments to climate change risks and identifying lower-carbon investment opportunities as well as new energy-efficiency related innovative services are positive steps we can take already today to contribute to the global transition to a low-carbon economy. Currently the developments to fully integrate climate-related data into every investment and risk management process are occurring aiming to disclose them TCFD-aligned in the Swiss Life Asset Managers ESG Investing report.

SG 13.7
CC

Indicate whether a range of climate scenarios is used.

- Analysis based on a 2°C or lower scenario
- Analysis based on an abrupt transition, consistent with the Inevitable Policy Response
- Analysis based on a 4°C or higher scenario
- No, a range is not used

SG 13.8
CC

Indicate the climate scenarios your organisation uses.

Provider	Scenario used	
IEA	<input type="checkbox"/> Beyond 2 Degrees Scenario (B2DS)	
IEA	<input type="checkbox"/> Energy Technology Perspectives (ETP) 2 Degrees scenario	
IEA	<input type="checkbox"/> Sustainable Development Scenario (SDS)	
IEA	<input type="checkbox"/> New Policy Scenario (NPS)	
IEA	<input type="checkbox"/> Current Policy Scenario (CPS)	
IRENA	<input type="checkbox"/> RE Map	
Greenpeace	<input type="checkbox"/> Advanced Energy [R]evolution	
Institute for Sustainable Development	<input type="checkbox"/> Deep Decarbonisation Pathway Project (DDPP)	
Bloomberg	<input type="checkbox"/> BNEF reference scenario	
IPCC	<input type="checkbox"/> Representative Concentration Pathway (RCP) 8.5	
IPCC	<input type="checkbox"/> RPC 6	
IPCC	<input type="checkbox"/> RPC 4.5	
IPCC	<input type="checkbox"/> RPC 2.6	
Other	<input checked="" type="checkbox"/> Other (1)	<div style="background-color: #0070C0; color: white; padding: 2px;">Other (1) please specify:</div> SB2A
Other	<input type="checkbox"/> Other (2)	
Other	<input type="checkbox"/> Other (3)	

SG 14	Mandatory to Report Voluntary to Disclose	Public	Additional Assessed	PRI 1
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SG 14.1

Some investment risks and opportunities arise as a result of long term trends. Indicate which of the following are considered.

- Changing demographics
- Climate change
- Resource scarcity
- Technological developments
- Other, specify(1)

other description (1)

Health

- Other, specify(2)
- None of the above

SG 14.2

Indicate which of the following activities you have undertaken to respond to climate change risk and opportunity

- Established a climate change sensitive or climate change integrated asset allocation strategy
- Targeted low carbon or climate resilient investments
- Phase out your investments in your fossil fuel holdings
- Reduced portfolio exposure to emissions intensive or fossil fuel holdings
- Used emissions data or analysis to inform investment decision making
- Sought climate change integration by companies
- Sought climate supportive policy from governments
- Other, specify
- None of the above

SG 14.3

Indicate which of the following tools the organisation uses to manage climate-related risks and opportunities.

- Scenario analysis
- Disclosures on emissions risks to clients/trustees/management/beneficiaries
- Climate-related targets
- Encouraging internal and/or external portfolio managers to monitor emissions risks
- Emissions-risk monitoring and reporting are formalised into contracts when appointing managers
- Weighted average carbon intensity
- Carbon footprint (scope 1 and 2)
- Portfolio carbon footprint
- Total carbon emissions
- Carbon intensity
- Exposure to carbon-related assets
- Other emissions metrics
- Other, specify
- None of the above

SG 14 CC

Voluntary

Public

General

SG 14.6 CC	Provide further details on the key metric(s) used to assess climate-related risks and opportunities.
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Metric Type	Coverage	Purpose	Metric Unit	Metric Methodology
Weighted average carbon intensity	<input type="checkbox"/> All assets <input checked="" type="checkbox"/> Majority of assets <input type="checkbox"/> Minority of assets	Indication about the the transitional risk of the securities portfolio, reporting to clients	tCO2eq / mUSD sales & tCO2eq/mUSD GDP	Based on MSCI Methodology

SG 14.8 CC	Indicate whether climate-related risks are integrated into overall risk management and explain the risk management processes used for identifying, assessing and managing climate-related risks.
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- Processes for climate-related risks are integrated into overall risk management
- Processes for climate-related risks are not integrated into overall risk management

Please describe

See SG 01.7, SG 01.9 and SG 07.7.

SG 14.9 CC	Indicate whether your organisation, and/or external investment manager or service providers acting on your behalf, undertake active ownership activities to encourage TCFD adoption.
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- Yes

Please describe

In general, we vote in favour of proposals requiring more transparency on climate-related risks, if relevant measures can be implemented at reasonable costs.

- No, we do not undertake active ownership activities.
- No, we do not undertake active ownership activities to encourage TCFD adoption.

SG 15	Mandatory to Report Voluntary to Disclose	Public	Descriptive	PRI 1
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SG 15.1	Indicate if your organisation allocates assets to, or manages, funds based on specific environmental and social themed areas.
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- Yes

SG 15.2	Indicate the percentage of your total AUM invested in environmental and social themed areas.
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%

0.01

SG 15.3

Specify which thematic area(s) you invest in, indicate the percentage of your AUM in the particular asset class and provide a brief description.

Area

- Energy efficiency / Clean technology
- Renewable energy
- Green buildings
- Sustainable forestry
- Sustainable agriculture
- Microfinance
- SME financing
- Social enterprise / community investing
- Affordable housing

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property

Percentage of AUM (+/-5%) per asset class invested in the area

0.15

- Infrastructure
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Swiss Life Asset Managers' French Real Estate unit manages 2 funds dedicated to student housing.

- Education
- Global health

Asset class invested

- Listed equity
- Fixed income - SSA
- Fixed income - Corporate (financial)
- Fixed income - Corporate (non-financial)
- Fixed income - Securitised
- Property

Percentage of AUM (+/-5%) per asset class invested in the area

0.15

- Infrastructure
- Cash
- Other (1)
- Other (2)

Brief description and measures of investment

Swiss Life Asset Managers' French Real Estate unit manages a fund that is specialised in healthcare assets like convalescence clinics, nursing homes and psychiatric clinics.

- Water
- Other area, specify
- No