

Swiss Life

Type of Engagement: Annual Review

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Engagement Team:

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Introduction

In December 2019 and September 2021, Swiss Life (the “Company”) issued green bonds¹ (2019 Green Bond A and 2021 Green Bond B) aimed at financing or refinancing the acquisition, development, redevelopment, renovation or refurbishment of green buildings. In December 2022, Swiss Life engaged Sustainalytics to review the projects funded with proceeds from those issuances (the “Nominated Projects”) and provide an assessment as to whether the projects met the use of proceeds criteria and the reporting commitments outlined in the Swiss Life Green Bond Framework 2019² and the updated 2021 Framework³ (the “Framework”). No significant changes were introduced to the eligible use of proceeds categories by the updated Framework. Sustainalytics provided a second-party opinion on the original framework in 2019⁴ and an update to it in August 2021.⁵ This is Sustainalytics’ second annual review following the previous review in November 2020.^{6,7}

Evaluation Criteria

Sustainalytics evaluated the Nominated projects based on whether they:

1. Met the use of proceeds and eligibility criteria outlined in the Framework; and
2. Reported on at least one of the key performance indicators (KPIs) for each use of proceeds category outlined in the Framework.

Table 1: Use of Proceeds Category, Eligibility Criteria and Associated KPIs

Use of Proceeds Category	Eligibility Criteria	KPIs
Green Buildings ⁸	<p>Acquisition or development of buildings which are certified under recognized sustainable building certification schemes and that have obtained the following green certifications (or equivalent):</p> <ul style="list-style-type: none"> • Minergie, Minergie-P, Minergie-A, Minergie ECO • LEED Gold or better • BREEAM Excellent or better 	<ul style="list-style-type: none"> • The differential of the selected assets’ greenhouse gas emissions compared to a benchmark asset (GHG differential per m² energy reference area) • The impact of renovations and construction on the assets’ greenhouse

¹ The issuance is in the form of senior green bonds.

² Swiss Life, “Swiss Life Green Bond Framework”, (2019), at:

https://www.swisslife.com/content/dam/com_rel/dokumente/bonds/2019/Swiss%20Life%20Green%20Bond%20Framework%202019.pdf

³ Swiss Life, “Swiss Life Green Bond Framework”, (2021), at:

https://www.swisslife.com/content/dam/com_rel/dokumente/bonds/2021/SL%20GBF%202021%20upload%20version.pdf

⁴ Swiss Life, “Swiss Life Green Bond framework Second-Party Opinion”, (2019), at:

https://www.swisslife.com/content/dam/com_rel/dokumente/bonds/2019/Swiss%20Life%20Green%20Bond%20Second%20Party%20Opinion.pdf

⁵ Swiss Life, “Swiss Life Green Bond framework Second-Party Opinion”, (2021), at:

https://www.swisslife.com/content/dam/com_rel/dokumente/bonds/2021/SL%20GBF%20Second-Party%20Opinion%202021.pdf

⁶ Swiss Life, “Swiss Life Group Annual Review”, (2020), at:

https://www.swisslife.com/content/dam/com_rel/dokumente/bonds/2020/Swiss_Life_Group_Green_Bond_Annual_Review.pdf

⁷ Allocation and environmental impact of 2019 Green Bond A as of 30 September 2020 was covered in the Annual review 2020.

⁸ As a part of the Framework update in August 2021, Swiss Life has excluded the share of renewable energy criteria.

	<ul style="list-style-type: none"> • HQE Excellent or better • Energy class label 'B' or better <p>Redevelopment, renovations and/or refurbishments of buildings that meet:</p> <ul style="list-style-type: none"> • one of the above-mentioned criteria • Target a 30% reduction in greenhouse gas (GHG) emissions compared to the building's baseline prior to the refurbishments. 	<p>gas emissions (GHG reduction per m² energy reference area).</p>
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Issuer's Responsibility

Swiss Life is responsible for providing accurate information and documentation relating to the details of the funded Nominated Projects, including description of projects, amounts allocated and project impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of use of proceeds from Swiss Life's green bonds. The work undertaken as part of this engagement included collection of documentation from Swiss Life and review of said documentation to assess conformance with the Swiss Life Green Bond Framework.

Sustainalytics relied on the information and the facts presented by Swiss Life. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Swiss Life.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,⁹ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Projects do not conform with the use of proceeds and reporting criteria outlined in the Swiss Life Green Bond Framework. As of 30 September 2022, Swiss Life has allocated 99% of the proceeds from the 2019 Green Bond A and 45% of the proceeds from the 2021 Green Bond B to Nominated Projects. The remaining 1% of the unallocated proceeds from the 2019 Green Bond A and 55% of the unallocated proceeds from the 2021 Green Bond B will be temporarily held in accordance with Swiss Life's liquidity management activities, and in accordance with the relevant internal Swiss Life policies.

⁹ Sustainalytics limited assurance process includes reviewing the documentation relating to the details of the funded projects, including description of projects, estimated and realized costs of projects, and project impact, as provided by the Issuer, which is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Detailed Findings

Table 3: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the projects funded with proceeds from the 2019 Green Bond A and 2021 Green Bond B until September 2022 to determine if projects aligned with the use of proceeds criteria outlined in the Framework and above in Table 1.	All projects reviewed complied with the use of proceeds criteria.	None
Reporting Criteria	Verification of the projects funded with proceeds from the 2019 Green Bond A and 2021 Green Bond B until September 2022 to determine if impact of projects was reported in line with the KPIs outlined in the Framework and above in Table 1. For a list of KPIs reported, please refer to Appendix 1.	All projects reviewed reported on at least one KPI per use of proceeds category.	None

Appendices

Appendix 1: Allocation Reporting¹⁰ by Eligibility Criteria

On 6 December 2019, Swiss Life's 2019 Green Bond A¹¹ raised CHF 600 million. As of 30 September 2022, the total allocated to Nominated Projects was CHF 594 million, of which 41% was used towards refinancing projects and 59% to finance new projects.

On 15 September 2021, Swiss Life's 2021 Green Bond B raised EUR 600 million. As of 30 September 2022, the total allocated to Nominated Projects was CHF 270 million, all of which used towards financing new projects.

The tables below provide a detailed breakdown of the allocation of net proceeds per project.

Table 4: 2019 Green Bond A Asset Allocation

Use of Proceeds Category	Project Name	Type of Project	Financing or Refinancing	Net Proceeds Allocation (CHF mn)
Green Buildings	Zurich, Green City, Maneggplatz 40, 44, 48	Development Residential	Refinancing	35.1
	Zurich, Green City, Maneggplatz 14, 16; Tuchmacherstr. 34, 36, 40, 42			96.0
	Zumikon, Ankenbüel 1-26			116.4
	Zurich, Baslerstrasse 71, 73, 75, 77	Development Residential	Financing	82.1
	Schaffhausen, Zur Stahlgießerei 3-6			73.1
	Regensdorf, Riedthofstrasse 54-92			40.7
	Massagno, via Lepori 14-18			53.1
	Zurich, Buckhauserstrasse			41.6
	Lausanne, Av. du Grey 16-24			40.4
	Chêne-Bougeries, Chemin de la Montagne 124-134			15.5
Total proceeds allocated to green buildings				594.1
Unallocated proceeds				5.9
Total				600

¹¹ Allocation and environmental impact of 2019 Green Bond A as of 30 September 2020 was covered in the annual review 2020.

Table 5: 2021 Green Bond B Asset Allocation

Use of Proceeds Category	Project Name	Type of Project	Financing or Refinancing	Net Proceeds Allocation (CHF mn)
Green Buildings	Esslingen, Löwenstrasse 7-17	Development Residential	Financing	48.3
	Zurich, Manegg West, Allmendstr. / Spindelstr. ¹²			-
	Winterthur, KIM, Sulzerallee 72-78, Solarstrasse 1-9			97.4
	Lausanne, Plaine du Loup / PU A+B, Route des Plaines-du-Loup 55, Rue Edith-Berger 4, 6, 8			46.8
	Genf, Tivoli, Rue Fief-de-Chapitre 9 a-b-c-d	Development Mixed		21.9
	La Défense (France), Bellini, Puteaux-La Défense	Development Commercial		56.0
Total proceeds allocated to green buildings				270.4
Unallocated proceeds				329.6
Total				600

Appendix 2: Reported Impact by Eligibility Criteria¹³

Table 6: 2019 Green Bond A (Acquisition and Development)

Use of Proceeds Category	Project Name	Building Certification	Yearly GHG Emissions Avoided (kgCO ₂ /m ² ERA ¹⁴) ¹⁵
Green Buildings	Zurich, Green City, Maneggplatz 40, 44, 48	Minergie-P-ECO	10.7
	Zurich, Green City, Maneggplatz 14, 16; Tuchmacherstr. 34, 36, 40, 42	Minergie-P-ECO	12.2
	Zumikon, Ankenbüel 1-26	Minergie	8
	Zurich, Baslerstrasse 71, 73, 75, 77	Minergie-P-ECO	12.6
	Schaffhausen, Zur Stahlgiesserei 3-6	Minergie	7.5

¹² Swiss Life has communicated to Sustainalytics that its Green Bond Committee has already allocated proceeds to the project for dismantling or demolition of the old building. Swiss Life does not have the expected CO₂ emissions from the new building to compare with the emissions benchmark.

¹³ As of 30 September 2022.

¹⁴ Energy reference area

¹⁵ Detailed calculation methodology of GHG emissions avoided or reduced is available in the environmental impact reporting section of the investor report available on Swiss Life's website at: <https://www.swisslife.com/en/home/investors/bonds-and-ratings.html>.

	Regensdorf, Riedthofstrasse 54-92	Minergie	12.6
	Massagno, via Lepori 14-18	Minergie-ECO	12.6
	Zurich, Buckhauserstrasse	Minergie-P-ECO	12.6
Weighted Average			10.9

Table 7: 2019 Green Bond A (Renovations and Refurbishment)

Use of Proceeds Category	Project Name	Building Certification	Yearly GHG Emissions Avoided (kgCO ₂ /m ² ERA) ¹⁶
Green Buildings	Lausanne, Av. du Grey 16-24	Minergie	8.3
	Chêne-Bougeries, Chemin de la Montagne 124-134	Minergie	18.6
Weighted Average			12.4

Table 8: 2021 Green Bond B (Acquisition and Development)

Use of Proceeds Category	Project Name	Building Certification	Yearly GHG Emissions Avoided (kgCO ₂ /m ² ERA) ¹⁷
Green Buildings	Esslingen, Löwenstrasse 7-17	Minergie	14.1
	Zurich, Manegg West, Allmendstr. / Spindelstr. ¹⁸	Minergie P	-
	Winterthur, KIM, Sulzerallee 72-78, Solarstrasse 1-9	Minergie P	12.6
	Genf, Tivoli, Rue Fief-de-Chapitre 9 a-b-c-d	Minergie	9.4
	Lausanne, Plaine du Loup / PU A+B, Route des Plaines-du-Loup 55, Rue Edith-Berger 4, 6, 8	Minergie-P-ECO	12.6
	La Défense (France), Bellini, Puteaux-La Défense	HQE Excellent BREEAM Excellent BBC Effinergie+ Wirescore (Gold)	6.7
Weighted Average			11.0

¹⁶ Detailed calculation methodology of GHG emissions avoided or reduced is available in the environmental impact reporting section of the investor report available on Swiss Life's website at: <https://www.swisslife.com/en/home/investors/bonds-and-ratings.html>.

¹⁷ See Footnote 14.

¹⁸ See Footnote 12.

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