

Disclosure pursuant to Article 5 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

Swiss Life Asset Managers Funds AS and

Swiss Life Asset Managers Transactions AS

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Background

Legal Framework

This document has been prepared for the purpose of meeting the specific disclosure requirements set out in Article 5 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (**SFDR**).

Remuneration policy

The remuneration policy aims at combining remuneration with solid and effective risk management, supports the performance culture defined by the business strategy and forms part of the employment and personnel policy. It is tuned to the business strategy, the targets, the values and the interests of Swiss Life Asset Managers and of the assets it manages and includes measures to avoid conflicts of interests. The aim is to retain qualified employees and recruit new, highly skilled staff. The compensation system is to be in line with the market environment and must be competitive.

The policy is consistent with, and promotes, sound and effective risk management which includes inter alia market-, credit-, liquidity-, operational-, concentration and sustainability risks and does not encourage risk taking which is inconsistent with the defined risk profiles of Swiss Life.

The individual overall compensation takes into account the employee's professional skills, engagement and personal performance.

Integration of Sustainability Risk Considerations in the Remuneration Principles

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.¹ As part of its holistic risk management approach Swiss Life Asset Managers integrates explicitly sustainability risks in its investment decision making processes as set out in AM Guideline 9.16 Sustainability Risks.

¹ SFDR Art. 2(22).

Sustainability risks are integrated into the remuneration structure of Swiss Life Asset Managers through the variable component of the employee compensation. When determining the variable remuneration of employees, employee's compliance with the organization's governance framework (including AM's directive system) is taken into account in the evaluation of employee's performance. For example, non-compliance with AM Guideline 9.16 Sustainability Risks, could result in the reduction of the variable remuneration.

In addition, other ESG-related objectives (such as contributing to the achievement of the organization's sustainability targets, integration of ESG characteristics in the investment process etc.) can also be taken into account when determining the variable remuneration depending on the function and individual responsibilities of each employee.

Explanation of amendments pursuant to Article 12 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector

Version	Amendment date	Explanation of amendment
1	10.11.2021	First disclosure, a combination of article 3, 4 and 5.
2	18.02.2022	Separating disclosure to only include article 5 requirements. Company name change from NRP Asset Management AS to Swiss Life Asset Managers Nordic AS
3	01.06.2023	Company name change from Swiss Life Asset Managers Nordic to Swiss Life Asset Managers Funds AS and inclusion of Swiss Life Asset Managers Transactions AS
4	05.07.2024	Standard yearly review to ensure that the policy is reflecting current practice and regulatory requirements. Inclusion of explanations pursuant to SFDR article 12 requirements.