Swiss Life Asset Managers' proprietary ESG rating methodology

This methodology describes the construction of our internal ESG score. It is specifically used for performing the analysis of companies that are not covered by an MSCI ESG rating, requested by the portfolio managers. Our internal ratings are designed to be comparable with MSCI's scoring framework to ensure usability in portfolio management, while allowing for more flexibility thanks to the qualitative analysis. To ensure the consistency and comparability of our ratings with the MSCI framework, we use the same sectorial classification, namely the Global Industry Classification Standard (GICS) sub-industries.
The proprietary ESG rating model aims to provide both a quantitative ESG score and a letter ESG rating, which can be used in portfolio management (e.g., to monitor CCC exclusions).

Rating product Disclosures

(f) The "Swiss Life Asset Managers proprietary ESG rating" aims to assess company's management of ESG risks and impacts, as well as their ability to capture opportunities arising from their activities. The methodology is based on a double materiality approach, in which we simultaneously assess the ESG risks to which a company is exposed and the impacts it generates through its practices and governance. Risk and impact considerations are not subject to separate scoring or specific weighting they are integrated in the overall qualitative assessment, making it difficult to quantify the contribution for each dimension.
To assess "financial" materiality, we identify for each GICS sub-industry the most significant material issues that companies are likely to face. The risks covered in our analysis are therefore sector-specific and stem directly from the material issues relevant to each activity. (*For example, in the steel industry, water management-related risks may include disruptions to production processes due to water dependency, restricted market access driven by community concerns or tighter regulatory scrutiny, as well as increased operating and compliance costs associated with more stringent water regulations and efficiency requirements)*. Where companies operate across multiple activities, additional material topics may be incorporated to better reflect their specific risk profile.
In parallel, in line with "impact" materiality, we conduct a qualitative assessment of how companies manage, mitigate, or amplify their impacts through their operational practices, ESG strategy, and governance structure. These impacts are evaluated based on companies' reported performance indicators, complemented by an analysis of controversies in which they may be involved, with particular attention to the nature of the harm and the scale of the associated impacts.
(g) Our assessment covers the three Environmental, Social and Governance pillars through an aggregated ESG score. The Environmental and Social pillars are based on 2 to 7 material issues selected according to the GICS sub-industry (163 in total), while the Governance pillar is based on a systematic analysis encompassing good governance principles and business ethics. For each of the E, S and G pillars, a dedicated score is calculated, as the weighted sum of the scores attributed to the material issues specifically associated with the pillar concerned. Environmental, social and governance issues are grouped by thematic, weighted according to their sectorial materiality, and aggregated to obtain an E score, a S score and a G score respectively. More information on what is covered by E, S and G pillars can be found in the table below.
(h) Each pillar is assigned a specific weight in the overall ESG score: the Environmental and Social pillars each account for a minimum of 5% and up to 62% of the total score, while the Governance pillar

accounts for a minimum of 33%. Each company is assessed on a minimum of one Environmental issue, one Social issue, and all Governance thematics.

(i) The selection of material issues used to assess companies on environmental and social topics is made from a defined set of 25 material issues, in addition to the 2 governance issues. The assessed thematics are aligned with the European Sustainability Reporting Standards (ESRS) as defined in Annex I of Delegated Regulation (EU) 2023/2772. The table below presents the correspondences between the material issues we assess and the ESRS.

(j)The rating is expressed as a relative value: the weighted average of the material issues scores is not the final score but is adjusted relative to other companies within the same sector to ensure a distribution across the full 0–10 scale and enable sector-level comparisons.

(o) Our analysis incorporates companies' alignment with key international agreements. From an environmental perspective, we assess whether companies have developed a climate strategy aligned with the objectives of the Paris Agreement (adopted in 2015 under the United Nations Framework Convention on Climate Change , UNFCCC, entered into force in 2016), focusing on the credibility of their commitments and their progress towards achieving stated targets.

(p) From a social perspective, we assess whether companies ensure that their suppliers adhere to principles consistent with the core conventions of the International Labour Organization (ILO) (adopted between 1930 and 1999), including the Freedom of Association and Protection of the Right to Organise Convention (No. 87, 1948), the Right to Organise and Collective Bargaining Convention (No. 98, 1949), the Forced Labour Convention (No. 29, 1930) and the Abolition of Forced Labour Convention (No. 105, 1957), the Minimum Age Convention (No. 138, 1973) and the Worst Forms of Child Labour Convention (No. 182, 1999), as well as the Equal Remuneration Convention (No. 100, 1951) and the Discrimination (Employment and Occupation) Convention (No. 111, 1958). Within our ESG rating, we evaluate whether issuers have implemented adequate policies, due diligence processes and monitoring mechanisms to ensure that their suppliers adhere to and effectively apply the principles set out in these conventions.

Pillars	**Material issues assessed**	**Corresponding European Sustainability Reporting Standards**
Environment	• Climate Change mitigation • Financing Environmental Impact • Climate opportunities	ESRS E1 – Climate Change
	• Toxic Emissions & Waste	ESRS E2 – Pollution
	• Water Resources management	ESRS E3 – Water and Marine Resources
	• Biodiversity Impacts and Dependencies	ESRS E4 – Biodiversity & Ecosystems

	• Raw Material Sourcing • Packaging Material & Waste • Electronic Waste	ESRS E5 – Resource Use & Circular Economy
Social	• Labor Management • Health & Safety • Human Capital Development	ESRS S1 – Own Workforce
	• Supply Chain Labor Standards • Controversial Sourcing	ESRS S2 – Workers in the Value Chain
	• Responsible Investment • Local Communities Relations	ESRS S3 – Affected Communities
	• Product Safety & Quality • Chemical Safety • Consumer Financial Protection • Privacy & Data Security	ESRS S4 – Consumers & End-Users
Governance	• Corporate Governance • Business ethics	ESRS G1 – Business Conduct

General methodological Disclosures

(a) The rating methodology used is the “Swiss Life Asset Managers proprietary ESG rating methodology”. This methodology applies exclusively to issuers classified as corporates.
The rating remains valid until its next update. It is updated at least annually following the publication of new company disclosures and may be revised more frequently in the event of significant controversies, which may directly impact the score.
Controversies are subject to qualitative analysis, and are identified via our data provider RepRisk, supplemented by internet research. The analysis takes into consideration the nature of harm, the scale of impact, and the issuer's responsiveness.
The analysis relies predominantly on company-reported data, which is in most cases subject to third-party verification. In addition, controversy assessments are supported by a dedicated external monitoring tool that evaluates the reliability of information sources and enables the identification and analysis of incidents.

The “Swiss Life Asset Managers proprietary ESG rating” is primarily based on historical data, using information disclosed by companies in their annual reports, which by nature relates to the previous financial year.
But the rating also incorporates a forward-looking dimension, covering the company's long-term strategic trajectory, its action plans, time-bound targets, and the credibility of its commitments. We also assess whether the company is on track to meet its stated objectives, examining whether its current performance trajectory is aligned with its targets or whether it faces a significant risk of non-achievement.

Each material issue is assessed through a qualitative analysis, supported by a set of dedicated questions and metrics that guide the analyst throughout the scoring process.
The score is calculated based on the assessment of material issues, with the final score normalized at the GICS sub-industry level. Each material issue is evaluated and scored individually from 0 to 10 using a defined ranking system (see table below). Controversies are taken into account at the level of each material issue and may result in score deductions where relevant. These scores are then aggregated using a weighted average based on predefined weights. The resulting score is then adjusted relative to peers within the same industry to ensure a distribution across the full 0–10 scale and to position the company as Laggard, Average, or Leader.

Material issue Scoring Scale:

10	The material issue is fully identified and embedded in strategy, operations, and governance. Targets are clear, ambitious, and externally verified. Disclosure is comprehensive and demonstrates measurable positive impact. The company shows leadership and contributes to market standards.
9	The material issue is well integrated into strategy and management processes. Execution is robust, with only minor gaps. Disclosure is high quality and largely aligned with best practices. Evidence of impact is available.
8	The material issue is clearly identified and addressed through a structured approach. Policies are implemented effectively. Risks are well managed. Disclosure is solid but may lack full alignment with leading standards or depth on impact.
7	The material issue is recognized and addressed through relevant policies and initiatives. Implementation is uneven across areas. Disclosure is available but not fully comprehensive.
6	The material issue is acknowledged. Policies and practices are in place but remain limited in scope or consistency. Transparency is improving but still insufficient.
5	The material issue is recognized but only partially addressed. Policies or actions lack clarity, consistency, or measurable targets. Disclosure is fragmented.
4	The material issue is insufficiently managed. Policies are limited and poorly implemented. Disclosure is minimal. Exposure to risks is significant.
3	The material issue is largely unmanaged. No structured approach is in place. Risk exposure is high. Disclosure is absent or negligible.
2	The company does not adequately recognize or address the material issue. No meaningful actions are taken. Potential controversies are not properly managed.
1	Severe deficiencies in managing the material issue. Governance and oversight are lacking. The company may face regulatory or stakeholder pressure.
0	The company is involved in major controversies or incidents, reflecting a fundamental failure to identify and manage the material issue, with no credible remediation measures in place

The methodology has remained unchanged since its introduction in June 2025

(b) The industry classification used is the last version of the Global Industry Classification Standard, developed jointly by MSCI and S&P Dow Jones Indices with the most recent major revision implemented in March 2023 (link to the official documentation: The Global Industry Classification Standard (GICS®))

(c) Our assessment primarily relies on publicly available information disclosed by issuers. Main data sources include reports published under Corporate Sustainability Reporting Directive requirements, and information disclosed under the Sustainable Finance Disclosure Regulation for financial institution. These are complemented by external public sources, including NGOs and media solely used for the identification and monitoring of controversies.
The methodology is based on issuer-reported data. No estimations or data modelling are performed in cases where information is unavailable. When relevant information is missing or incomplete, the issuer may be contacted directly to obtain additional clarification or data. Any information obtained through this engagement process is incorporated into the assessment, while issuers are encouraged to make such information publicly available.
Data is updated at least annually, in line with the release of new company publications. In parallel, media and external sources are monitored on a continuous basis to ensure identification and assessment of any controversies.

(e) Scientific studies, in particular those on climate change, biodiversity loss, the energy transition, and other sources providing research on environmental or social issues, shed light on these issues when analyzing emitters.

(k) Our assessments are conducted entirely by human analysts, without the use of artificial intelligence.

Limitation in data sources, methodologies and information

(m)(q)We acknowledge that our methodology has inherent limitations.
Our approach relies on issuer-disclosed data (except for the monitoring of controversies). We do not use estimations, proxy data, or assumptions in cases of missing information. As a result, the quality, availability, completeness, timeliness, and consistency of the assessment are directly dependent on the level and reliability of disclosures provided by issuers.
We have also limited resources, and the assessment process does not rely on artificial intelligence or automated data processing. As a result, there is an inherent risk of limited responsiveness to new information that may affect an issuer’s ESG profile
To ensure a consistent level of quality and comparability across our internal ratings, each assessment undergoes a collective validation process involving at least two ESG analysts, providing an additional layer of scrutiny and reducing the risk of individual bias.

Organisational Disclosures

(d) Swiss Life Asset Managers is the sole owner of its internal ESG ratings, (l) which are not sold or commercialised. (n) The main risk of conflict of interest lies in a potential influence of the investment management teams over the rating process. To mitigate this risk, the entire rating process is conducted independently from the investment management teams. Portfolio managers have no influence over, or visibility into, the scoring process, ensuring the integrity and impartiality of our assessments.

Disclaimer

This is a regulatory document to meet the requirements of the ESG Ratings Regulation (REGULATION (EU) 2024/3005) 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 internal ESG rating. The content of this document is based on sources and information available to Swiss Life Asset Managers as of the date of this document, but no warranty or declaration, either explicit or implicit, is given as to their accuracy or completeness. Neither Swiss Life Asset Managers, nor any of its directors, employees, agents and/or shareholders shall be liable for any financial loss or any errors and/or actions taken in reliance thereon. The content of this document shall not be reproduced or disseminated in any form and may not be used as a basis for any financial instrument or product. The ESG assessments and the rating described in this document are based on human analysis and expert judgement. No artificial intelligence system is used in the determination, validation or issuance of the internal ESG rating. This document includes forward-looking statements, which are based on our current opinions, expectations and projections. However, various risks, uncertainties and other influencing factors can cause the actual developments and results to differ significantly from our expectations. The information contained herein is exclusively intended for disclosure purposes pursuant to point 1 of Annex III of the ESG Ratings Regulation, and should not be considered as an investment advice, investment recommendation, or a solicitation to buy or sell investment funds. Recipients of this document are advised to seek independent advice before making any investment decision. 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 / Customer Service: info@swisslife-am.com