



SwissLife
Asset Managers

UK Stewardship Report

Report for the year ended 31 December 2025

Foreword

Since its formation over 20 years ago, Swiss Life Asset Managers UK has recognised the importance of stewardship. Our approach is founded on responsible investment, which drives our purpose and culture.

We undertake to allocate, manage and oversee capital responsibly to create long-term value for our clients and beneficiaries, leading to sustainable benefits for the economy, the environment and society.

We were proud to be announced amongst the first signatories, and one of the first real estate investment managers, accepted to the UK Stewardship Code in 2021.

This report relates to Swiss Life AM UK stewardship activities during the reporting period Calendar Year 2025 (1 January to 31 December 2025).

This report has been reviewed and approved by the Swiss Life Asset Managers UK Limited Board of Directors.



Tim Munn
Co-CEO & CIO UK



Eduardo Illitsch
Co-CEO UK & Head
of International Sales



Frances Spence
Head of UK
Research,
Strategy & Risk



Tim Cridland
Finance Director

Contents

04 Co-CEO's Update

06 (A) Purpose & Investment Beliefs

Describe your organisation, your investment beliefs, your clients or beneficiaries and how that informs your approach to stewardship.

14 (B) Governance

Describe how your resources enable effective stewardship.

18 (C) Policies

Describe your stewardship policies and processes, and how you review them.

20 (D) Conflicts of Interest

Describe how you manage stewardship-related conflicts of interest to put the best interests of clients and beneficiaries first.

22 (E) Engagement with Clients

Describe how you maintain a dialogue with clients and/or beneficiaries.

24 Principle 1

Describe how stewardship is integrated with investment decision-making to deliver long-term sustainable value.

28 Principle 2

Describe how you identify and respond to market-wide and systemic risks to promote well-functioning financial markets.

36 Principle 3

Describe how you engage with issuers to maintain or enhance the value of assets.

40 Principle 4

Explain how you actively exercise your rights and responsibilities as investors.

42 Principle 5

Signatories integrate stewardship considerations into their selection and oversight of external managers.

44 Principle 6

Explain how you monitor and hold to account stewardship service providers.

Co-CEO's Update

"We are pleased to present the sixth edition of our annual Stewardship Report for clients and beneficiaries. Following on from our inclusion in 2021 as one of the first real estate investment manager signatories to the UK Stewardship Code, this report details our stewardship activities for the period 1 January to 31 December 2025."

2025 was a year of meaningful transition for Swiss Life AM UK. At the end of December, Giles King retired after leading the business through a period of consolidation, the launch of our Social Value Strategy, and the embedding of stewardship as a core part of how we invest. From 1 January 2026, we have taken on the leadership of the business jointly as Co-CEOs.

Against a backdrop of more settled market conditions compared to the volatility of 2022 and 2023, 2025 saw real estate return to a more predictable rhythm. Pricing stabilised across most sectors, occupier demand held up in our core thematic markets of industrial, self-storage and convenience/value retail, and investor sentiment improved gradually through the year. As an income-focused manager, this environment played to the strengths of our approach.

Our weighted composite of the three core balanced portfolios (MC Commercial Property Trust, CIP and PITCH, representing approximately half of our AUM) continued to outperform the MSCI/AREF UK Balanced Open-Ended Funds Index over both 5- and 10-year annualised periods to 31 December 2025.

Stewardship remained central to how we invested and managed assets during 2025. Our PITCH fund achieved aGRESB score of 84 in the 2025 assessment, ranking 18th out of 75 peers in its peer group, a continuation of our strong track record in this benchmark.

We also completed the third year of our Empowering Places Social Value Strategy, selecting Greater Manchester as the 2025 focus location following comprehensive needs-based analysis. We partnered with Forever Manchester, a local community foundation, making a £20,000 donation to support grassroots community activities in the region. Our Social Value Report 2024 was published in October 2025, documenting the second full year of the programme; going forward, the report will be produced on a biennial basis.

2025 was an active year for investment across our portfolios. Highlights included the acquisition of a food-led retail park in Brighton for the CIP portfolio; the completion of two new-build self-storage developments in Chesterfield and Sheffield (both EPC A+) under the Swiss Life Thematic Continuation 1 strategy; and the first full year of integrated investment management services for Christ's Hospital, whose £120m UK commercial property portfolio was onboarded in September 2024.

Across the portfolio, we continued to embed sustainability into asset management activity. Refurbishment programmes at Theale (CIP) and Altrincham (CIP) delivered substantial EPC uplifts. Tenant-driven solar PV installations proceeded at Poole (MC CPT) and across The Storage Team portfolio, which now operates on a net energy positive basis. PITCH continued the systematic roll-out of its Green Lease Programme across new lettings and renewals, further embedding sustainability obligations across the fund's income stream.

As we look ahead to 2026, we enter the year with confidence in the foundations of the business: a resilient, income-focused investment approach, long-standing client partnerships, and a stewardship framework that is now more than two decades old. We expect continued growth in the sources of capital most aligned with our approach, UK charities and endowments, family offices, insurance companies and pension funds, and are well-positioned to serve them.

As responsible investors, we are hereby pleased to present our report for the 2025 period.



Tim Munn
Co-CEO & CIO UK



Eduardo Illitsch
Co-CEO UK & Head
of International Sales

(A) Purpose & Investment Beliefs

Swiss Life Asset Managers UK Limited is the UK arm of Swiss Life Asset Managers, one of the largest real estate managers in Europe with approximately £106.8 billion of real estate assets under management and administration¹. As part of Swiss Life Asset Managers, our investment scope has range, resource and is socially responsible.

Who We Are

Swiss Life Asset Managers UK Limited is a specialist UK real estate fund manager authorised and regulated by the FCA as a full scope AIFM under AIFMD.

Founded in 2003, our UK business unit (Swiss Life AM UK) is led by an experienced team with significant continuity of service and deep understanding of local markets. We have a proven track record investing across risk profiles, from core to opportunistic strategies in all property market sectors and geographies. The majority of our Assets under Management (AUM) comprises income focused core/core-plus mandates. We focus on the provision of investment management services and co-investment for a select group of institutional clients to grow our business sustainably.

Swiss Life AM UK AUM totalled £2.0 billion as of 31st December 2025, comprising 151 direct property assets. We service a range of both UK and international investors and predominantly invest in direct real estate (relating to the part- or full-ownership of specific property assets) across the risk/return spectrum. Indirect real estate investments

(relating to ownership of shares in a fund or company managed by external managers), are acquired from time to time, however we currently do not hold any exposure to this type of investment.

As both an owner and manager of assets, Swiss Life Asset Managers understands its responsibilities and fiduciary obligations. We make all investment decisions in line with regulatory requirements, and we are committed to value-oriented and holistic risk management. When it comes to risk management, we go beyond clearcut exclusions to protect our assets. Swiss Life Asset Managers uses a broad range of intelligence to make informed investment decisions, considering both financial and ESG factors. We provide solutions designed to help clients reach their goals and generate sustainable economic value. Our responsible investment approach is deeply embedded in our core processes, notably in controlling risk, portfolio management, investment selection as well as all core supporting functions.

¹ Swiss Life Asset Managers figures as at 31st December 2025

Our Purpose

Our purpose is to provide investor clients with tailored property investment solutions to meet their risk/return requirements. We invest smartly and responsibly, in accordance with secular trends, and with full appreciation of the impact our activities have on the communities in which we invest and the environment. We seek to build long-term strategic partnerships with our investor clients and stakeholders.

Our Client Base

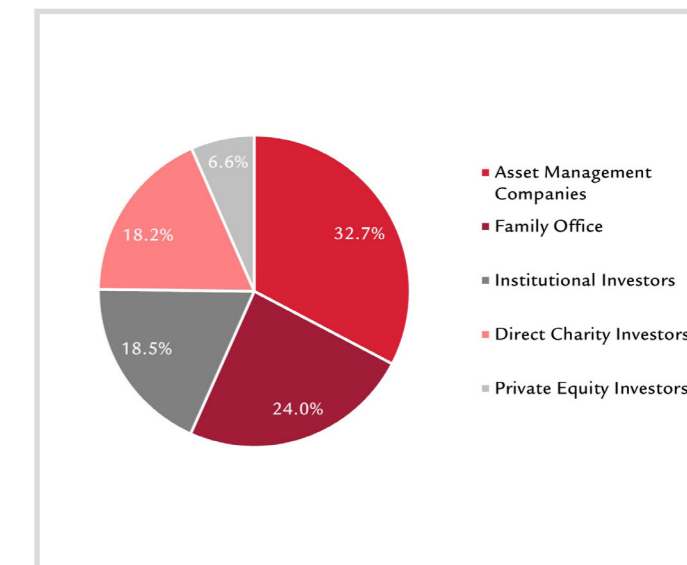
We invest on behalf of a range of third-party investor clients. We manage segregated and advisory mandates for several UK-based asset management companies including Schroders and Jupiter Asset Management. Within our UK pooled funds, we manage allocations for UK and European pension funds (public and private) and life insurers. Within our open-ended PITCH fund, we manage direct allocations from UK charity investors, as well as indirect allocations from UK-based asset management companies who invest on behalf of a further c.1,000 UK charity investors. Finally, we manage segregated mandates on behalf of a UK Family Office and two UK Charity Endowments.

Investor type:

- Asset Management Companies (32.7%)
- Direct Charity Investors (18.2%)
- Family Office (24.0%)
- Institutional Investors (18.5%)
- Private Equity Investors (6.6%)

Swiss Life Group invests in funds managed by Swiss Life AM UK and other fund management businesses within Swiss Life Asset Managers. Over the last eight years, we have made UK investments on behalf of Swiss Life funds with pan-European strategies. We provide asset management services to these funds, and we expect this part of our business to grow over time.

Investor Type Breakdown (31 December 2025)

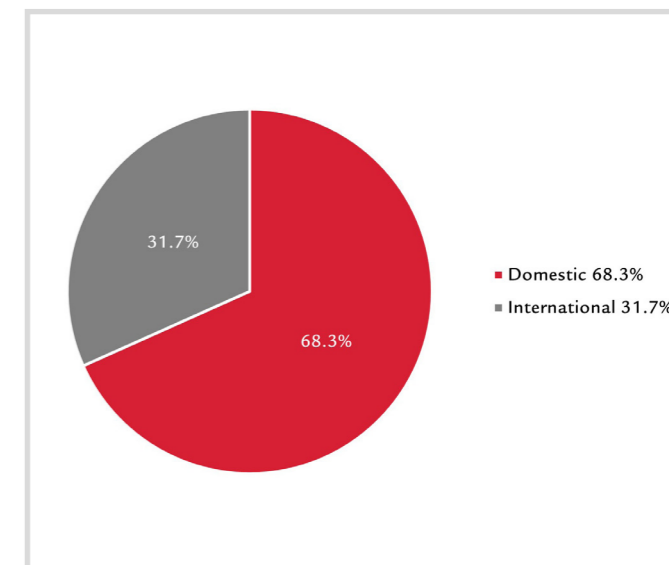


Source: Swiss Life Asset Managers figures as at 31st December 2025

AUM split between investor domicile:

- Domestic (68.3%)
- International (31.7%)

AUM by Investor Domicile (31 December 2025)



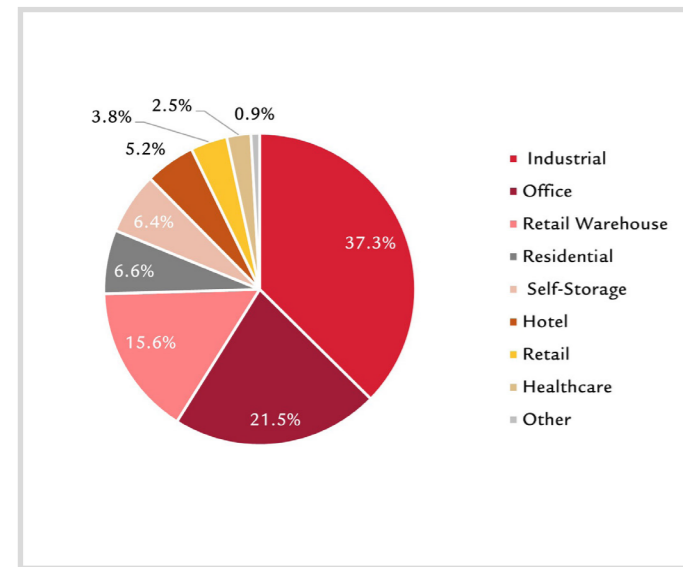
Source: Swiss Life Asset Managers figures as at 31st December 2025

Our Assets under Management

Swiss Life AM UK AUM totalled £2.0 billion as of 31st December 2025, comprising 151 direct property assets. Our portfolio spans multiple property sectors. Our AUM by property sector as at 31 December 2025 was:

- Industrial (37.3%)
- Office (21.5%)
- Retail Warehouse (15.6%)
- Residential (6.6%)
- Self-Storage (6.4%)
- Hotel (5.2%)
- Retail (3.8%)
- Healthcare (2.5%)
- Other (0.9%)

AUM by Property Sector (31 December 2025)

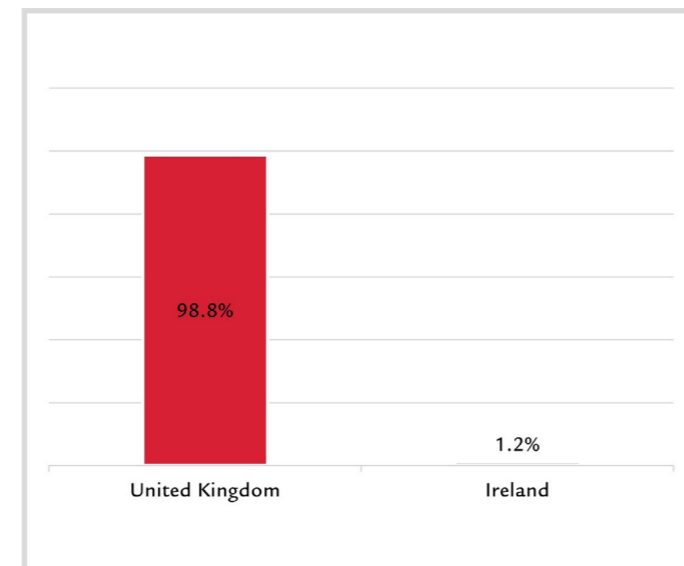


Source: Swiss Life Asset Managers figures as at 31st December 2025

The vast majority of our assets are managed directly in-house by our dedicated investment and property management teams. Indirect real estate investments (relating to ownership of shares in a fund or company managed by external managers), are acquired from time to time, however we currently do not hold any exposure to this type of investment.

By geography, our AUM is predominantly UK-focused, with UK assets comprising 98.8% of AUM (150 UK assets) and Ireland comprising 1.2% (1 asset) as at 31 December 2025.

AUM by Geography (31 December 2025)



Source: Swiss Life Asset Managers figures as at 31st December 2025



Chesterfield, UK

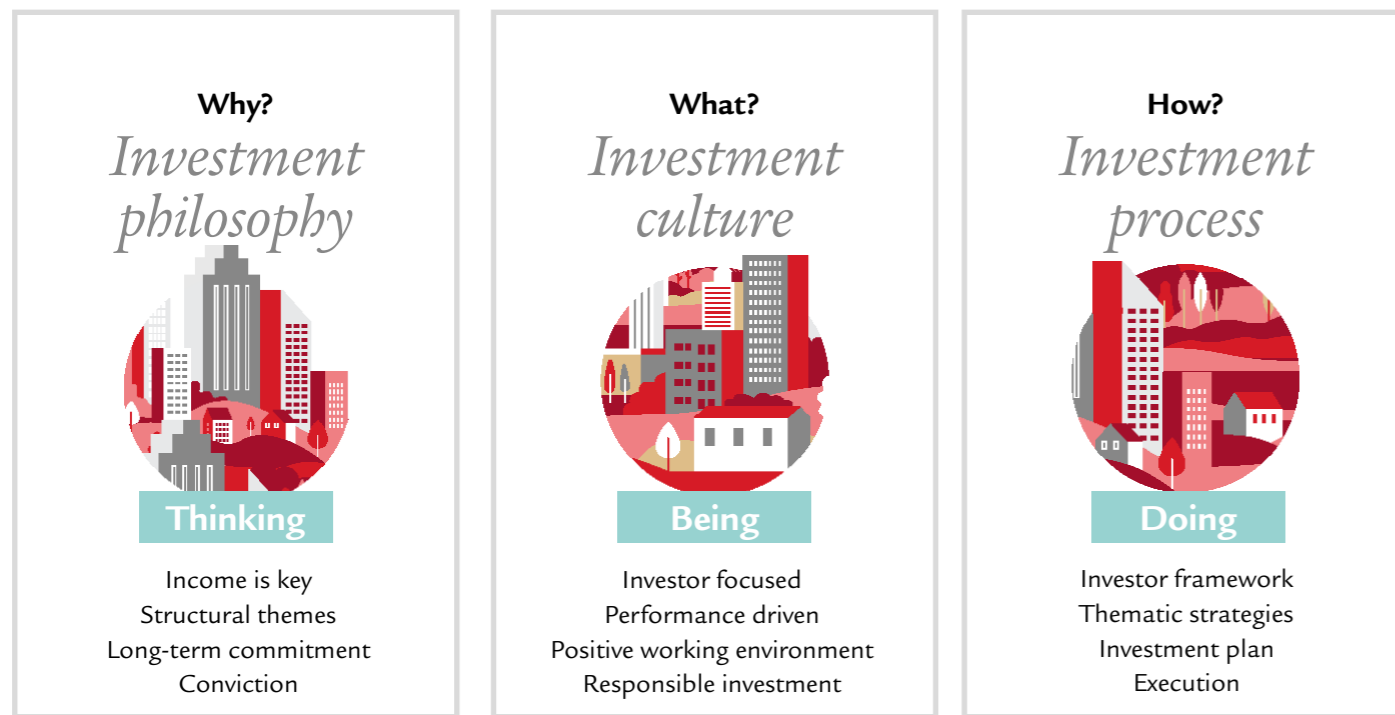


Bristol, UK

Our Investment Beliefs & Stewardship Strategy

Our Investment Approach

We are a progressive investment manager. The attributes of our progressive style are encapsulated within our Investment Approach, which comprises our Investment Philosophy (“how we think about investing”), our Investment Culture (“how we behave as investors”) and our Investment Process (“how we invest”). We refer to this as “Thinking”, “Being” and “Doing”:



Investment Philosophy ("Thinking")

Our investment philosophy contends that income is the driving force behind real estate investment. Income has comprised approximately 75.8% of property’s total returns over the last 40 years².

Our long track record of outperformance (+42 bps p.a. over 5 years, +80 bps p.a. over 10 years) exemplifies our ability to deliver on our clients’ investment objectives through our thematic, income-focused Investment Approach.

Accordingly, first and foremost we are income-focused investors. We tailor the income profiles of the portfolios we manage to clients’ risk profiles. Guided by our market research we invest in assets with characteristics that are aligned with structural trends and will have enduring appeal to modern occupiers and are therefore able to generate long-term income.

We seek to build and manage portfolios that provide resilient and sustainable income returns by focusing on assets with strong fundamentals and sustainability characteristics. We target assets that, when diversified, provide a mix of income protection, growth and creation due to their enduring occupier appeal.

We understand that long-term value is maximised when we manage resilient real estate that is adaptable to change. Therefore, we believe a thematic approach – focused on the structural trends that drive long-term real estate demand – enables better understanding of occupiers’ needs and how these will change. With this insight, we invest with conviction and have the confidence to be largely unconstrained in our approach.

Sustained income preservation and growth necessitate stewardship over the land and property that we manage. This ensures a commitment to continuously align our holdings to positive economic, environmental and societal outcomes to ensure enduring occupier appeal.

Investment Culture ("Being")

Our Purpose is supported by our Investment Culture, which determines how we behave. It is the fundamental link between how we think about investing and how we invest. Our emphasis on the merits of a progressive and shared investment culture is built on four commitments:

1. We are investor-focused. The investor is placed at the centre of our business. We build long-term strategic partnerships by putting investors’ needs first. We are in it for the long run and have processes in place that govern client care and communications to ensure requirements are being met.

2. We are performance-driven. We undertake disciplined investment with full accountability to meet investor requirements and maintain our consistently strong performance track record. We have a robust investment governance framework to ensure performance drivers and risks are closely monitored.

3. We promote a positive working environment. Swiss Life AM UK is a place of opportunity for our colleagues. We believe an emphasis on teamwork, mentoring and shared best practice engenders trust, respect, and fun, which in turn produces a high-performing business. We recognise the importance of diversity and inclusion in ensuring better decision-making and success as a high performing business. We actively promote and encourage the positive behaviours above.

4. We are responsible investors. Principles of Stewardship determine the way we interact with stakeholders; our clients, our advisors, the communities in which we invest, and the environment. Focusing on the highest standards of governance, we seek to generate sustainable value for our investors, going beyond positive investment performance. This is reflected in our approach to ESG and our responsible investment policies, which are long established.

Investment Process ("Doing")

Our Investment Process – “Doing” – details how we put our progressive Investment Philosophy (“Thinking”) and Investment Culture (“Being”) into practice. Our process for investment is highly disciplined and comprises both “top-down” and “bottom-up” elements.

“Top-down” Characteristics

➤ The starting point for investment is always the needs of the investor. We refer to this as the *Investor Framework*, which incorporates the investor’s objective, the universe in which they wish to invest (i.e. geography/sector), their tolerance for risk, and any necessary investment constraints and restrictions. An Investor Framework is agreed with each investor prior to commencement of the mandate.

² Annual MSCI UK All Property Index - December 2025

- > Next, we apply our *Thematic Strategies*, which detail our house views and stock selection criteria. Focused on structural trends we target investments that align to our five investment themes – *Change & Disruption, Climate & Environment, Communities & Clustering, Consumers & Lifestyle*, and *Connectivity* – to ensure we select markets that will generate enduring occupier appeal.
- > We then combine the Investor Framework and appropriate Thematic Strategies into an *Investment Plan* – a practical plan for investment that sets out the key strategic objectives for each mandate and planned investment activity. Our Investment Plans are formulated at the start of the year and approved by our Investment Risk Committee (“IRC”) and then reviewed after six months to ensure that the plan is on course and remains relevant.

We plan investments that are responsible, sustainable and able to meet the ESG requirements of our investors. In constructing our portfolios thematically, we mitigate income/performance risk by diversifying our exposure to assets and tenants. Portfolio risk metrics, often enshrined in pre-agreed investment constraints and restrictions, are closely monitored by the IRC on a quarterly basis to ensure that the portfolio performs as intended.

“Bottom-up” Characteristics

Only when these three steps are concluded do we commence investment with “bottom-up” execution. We have clearly defined policies and procedures for each element of Investment Execution:

- > For *Investment Selection*, we follow disciplined processes for the sourcing, allocation and approval of new acquisitions and the undertaking of due diligence, which are subject to audit. We select assets that have appealing locational and physical attributes for modern occupiers. We use our proprietary Asset Scoring Model to assess the thematic strength of an asset against a set of key attributes, including ESG credentials for each asset type (i.e. industrial, office, retail and residential). A score is provided for the asset “today” and in three years’ time assuming reasonable improvement measures, to guide decision-making.
- > For *Asset Management*, an Asset Business Plan is prepared annually for every asset that we manage with a “hold/sell” analysis, which is incorporated into the annual portfolio Investment Plan. Investment performance is monitored throughout the asset’s hold period by the client team.
- > Finally, timely and accurate *Administration and Reporting* is critical to ensuring investors get the information they require, and to demonstrate that we are doing what we have said we will do, which is fundamental for building trust and developing long-term strategic partnerships.

Strategic Objectives

To realise our purpose, we focus on five medium-term strategic objectives that align with our investment approach and contribute to long-term value creation:

1. We plan to continue to provide tailored investment management services and co-investment for a select group of institutional clients and to grow the business sustainably.
2. We deal primarily with UK institutional investors, but with the support of our parent company, Swiss Life Asset Managers, we plan to broaden our investor base in future to include large institutional investors from overseas.
3. We will remain a predominantly core/core-plus direct property investment manager but with a commitment to build our track record of actively-managed and operational real estate to 30% of our AUM over time.
4. We strive to provide a positive working environment - diverse and inclusive - to attract and retain talent and to excel in responsible investment, continuing to be a leader in ESG.
5. We will continue to develop our thematic investment approach to ensure that we are building and managing resilient and sustainable portfolios, which is necessary to maintain our strong, long-term performance track record.

Performance Track Record

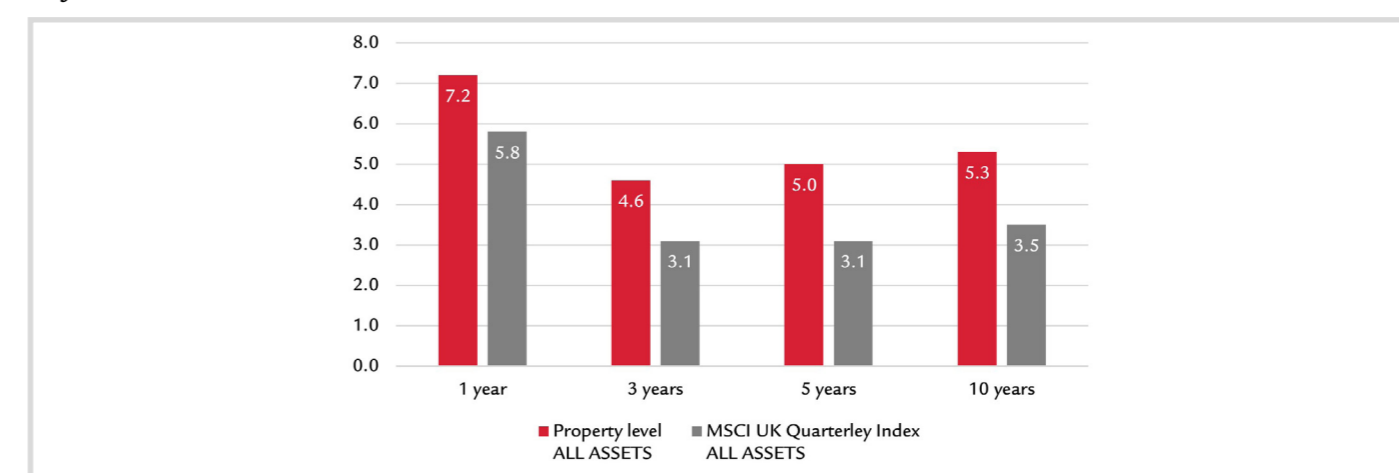
In terms of investment performance during 2025, a weighted composite of our three core balanced portfolios (MC Commercial Property Trust, CIP, and PITCH), representing approximately half of our total AUM, outperformed the MSCI UK Quarterly Index over all time periods (to 31 December 2025), outperforming by +190 bps p.a. over 5 years and +180 bps p.a. over 10 years.

Swiss Life AM UK's largest fund, the Property Income Trust for Charities (PITCH), continues to deliver attractive returns for its underlying investor base of UK charities and endowments. Targeting delivery of a resilient, high-income return, PITCH has continued to deliver consistent outperformance.

MC Property Unit Trust (MCPUT) achieved long-term outperformance over its lifetime, attributable to its high weighting to industrials and active management. MCPUT is now in the process of being sold down and is therefore no longer included in our composite performance measure.

We feel assured that we effectively served the interests of our clients and beneficiaries in 2025. Given the diversity of our investors' requirements and expectations, we assess our ability to meet clients' specific needs on an individual-client basis.

Performance Track Record



Swiss Life Asset Managers Composite - Source: Swiss Life Asset Managers UK
Benchmark - Source: MSCI

(B) Governance

As a wholly-owned subsidiary of Swiss Life Group, the activities of Swiss Life AM UK are encompassed within the larger Swiss Life Asset Managers organisation. Whilst the overarching stewardship and ESG approach is set at the very highest levels of Swiss Life Group, responsibility for implementing governance and the resourcing of responsible investment in real estate is organised at the level of Swiss Life Asset Managers.

From 1 January 2026, Swiss Life AM UK is led by Co-CEOs Tim Munn and Eduardo Illitsch. Giles King, who had served as Chief Executive Officer, retired at the end of 2025. Tim Munn and Eduardo Illitsch now lead the business jointly. They are supported by Tim Cridland (Finance Director) and Frances Spence (Head of UK Research, Strategy & Risk), as well as the Swiss Life Group CIO (Per Erikson) and Swiss Life AM CFO (Jürg Zimmermann) on the UK Executive Board. The Board is chaired by Jenny Buck as Non-Executive Chair.

Our Governance Structure

Overview

Swiss Life Asset Managers maintains a clear responsible investment approach, which is integrated in investment processes and implemented throughout the business. Stewardship and ESG criteria are embedded throughout Swiss Life Asset Managers in all core governance structures and business processes.

UK Country Level - Governance

As a wholly-owned subsidiary of Swiss Life Group, the

activities of Swiss Life AM UK are encompassed within the larger Swiss Life Asset Managers organisation. Whilst the overarching stewardship and ESG approach is set at the very highest levels of Swiss Life Group, responsibility for implementing governance and the resourcing of responsible investment in real estate is organised at the level of Swiss Life Asset Managers.

UK Board of Directors

Swiss Life AM UK is governed by its Board of Directors ('The Board'). All Board members have at least 20 years of relevant experience. Most have over 30 years. The Board meets on a quarterly basis. A formal agenda and papers are circulated prior. Regular reports are provided to the Board by the CEO, the CIO, the Finance Director and the Head of UK Research, Strategy and Risk. Stewardship is a standing agenda item within the CIO's report. All meetings are minuted and matters arising are followed up at the next meeting or beforehand if appropriate, including any actions relating to stewardship.

In 2024, we were pleased to announce the appointment of former Tesco Pension Investment CIO, Jenny Buck, as non-executive chair of our UK business, strengthening our corporate governance and capacity to achieve business growth. With more than 30 years' experience in investment management, Jenny brings extensive expertise in business management and investment solutions across multiple asset classes. As former Chief Investment Officer of Tesco Pension Investment and Head of Global Property Fund of Funds at Schroders, she has demonstrated a robust track record in evolving investment strategies, growing businesses, and delivering consistent results.

Jenny has gained further experience in the real estate sector through her work with industry groups INREV and the RICS Property Forum.

The Board and the Executive Committee are jointly responsible for the oversight and accountability for effective stewardship within Swiss Life AM UK. This approach has been chosen to ensure that stewardship is at the heart of decision-making both strategically (at Board-level) and operationally (at Executive Committee-level).

ESG Board

To streamline the implementation and to create internal synergies, the Swiss Life Asset Managers' ESG Board ('ESG Board'), a sub-committee of the Executive Committee of Swiss Life Asset Managers, has been established. The ESG Board owns Swiss Life Asset Managers' ESG vision, mission, and strategy. It is the decision-making body for major strategic initiatives and all asset class-overarching decisions in the area of sustainability integration in asset management.

Asset class specific ESG Committees are responsible for breaking down the overarching ESG corporate strategy into asset class-specific strategies for each asset class, defining targets, implementation approaches, and policies such as investment guidelines and overseeing their implementation. During monthly meetings, committee members deal with the operational implementation of our ESG strategy including bottom-up idea generation and decision-making for ESG integration into the investment and/or risk management process. They also advise on how to approach investments that other committees or processes may raise as controversial.

UK Operations Board

On a day-to-day basis, Swiss Life AM UK is managed by an Operations Board, which executes the strategy set by The Board and overseas operations. The Operations Board meets monthly with additional meetings as required. A formal agenda and papers (where necessary) are circulated prior to meetings. Stewardship is a standing agenda item.

Investment Risk Committee ("IRC")

The Investment Risk Committee ('IRC') is responsible for approving the strategy of each fund and advisory mandate, to-

gether with all acquisitions, disposals and major asset management initiatives. Three members are needed for the IRC to be quorate. Investment decisions are made unanimously meaning that any IRC member who is not prepared to approve a transaction has veto rights. As at June 2025, the IRC comprised Tim Munn (Chairman), Giles King, James Lass, Ned Pumphrey, and Frances Spence.

The IRC meets every Monday with additional meetings as and when required. Approval requests are circulated prior to meetings, which are minuted. Stewardship and responsible investment are formally included in the IRC Terms of Reference and in the standard reporting template used for investment memos seeking IRC approval.

Remuneration Committee

Swiss Life AM UK's Remuneration Committee is responsible for approving promotions, salary reviews and bonuses. To ensure that the values of stewardship and responsible investment are embedded in compensation and incentivisation processes, these matters are formally embedded within our Remuneration Committee Terms of Reference and Remuneration Policy.

Stewardship Resourcing

In the UK, investment stewardship and ESG criteria are actively considered in strategy formation, transactions, asset management and client reporting, all of which are overseen by the Co-CEOs and Investment Risk Committee and reported to the Swiss Life AM UK Executive Board.

Christi Vosloo served as Head of UK ESG, coordinating interaction between Swiss Life Asset Managers and the UK team, implementing the firm's ESG and Responsible Investment agenda, and reporting to both the UK leadership and Swiss Life Asset Managers' Head of ESG, Real Assets. Christi departed the business in October 2025. Following her departure, Swiss Life AM UK has been drawing on support from the wider Swiss Life Asset Managers ESG team to maintain continuity of ESG activities and reporting. Currently, senior ESG Manager, Miriam Kittinger heads up and oversees the ESG activities and reporting that is undertaken by the wider investment team.

Swiss Life AM UK has been following a responsible investment approach for its UK charity fund, PITCH, for over 20 years – well before it became part of mainstream fund management. PITCH employs a comprehensive ethical policy – developed in consultation with the fund's investors – which excludes or limits exposure to companies involved in armaments, pornography, tobacco and alcohol.

ESG Team (SLAM Level)

Swiss Life Asset Managers' dedicated ESG Team is responsible for developing, implementing and governing all ESG matters across the group. The team comprises of around 35 permanent employees. This centralised ESG team steers and implements cross-departmental ESG activities to ensure alignment between country and functional units. The team implements our ESG strategy, initiates bottom-up projects and assumes responsibility for coordinating and supporting external reporting (e.g. PRI, GRESB, rating agencies). The ESG Team is led by the Head of ESG, Bruno Blavier who reports directly to the Group CIO.

Industry Engagement & Training

The UK team continued to build ESG and stewardship capability through engagement with industry bodies. Swiss Life AM UK participated in AREF (Association of Real Estate Funds) and INREV (European Association for Investors in Non-Listed Real Estate Vehicles) events throughout 2025, providing access to peer learning, industry guidance, and ESG best practice. Fund Manager, Laura Sweet serves on the AREF Education & Training (E&T) Committee, contributing to the development of industry training standards.

Linking Stewardship to Remuneration

All Swiss Life AM UK staff members (Executive Committee, Investment Group, and Operations, Finance & Administration) have mandatory and meaningfully-weighted stewardship objectives included in their annual performance objectives, which directly impact remuneration as part of our annual appraisal process. We seek to instil positive behaviours related to stewardship across our entire business and these objectives are assessed annually with each individual.

In 2025, we formalised the stewardship objective text for all employees to ensure consistency across the business. The objective states: *“I commit to responsible investment and stewardship in all that I do with a long-term focus on quality, sustainability and partnerships with stakeholders. This means ensuring adherence to all ESG policies and procedures, striving for continual improvement and endeavouring to use the two volunteering days provided by Swiss Life Asset Managers UK.”*

All staff members are eligible to receive annual discretionary bonuses paid in April based on performance for the previous calendar year. Performance is measured using the Swiss Life 'GPS' appraisal system which analyses the extent to which staff members have met their objectives, including adherence to the principles of the Stewardship Code. Performance is measured formally at the end of each financial year, with an informal review at the half-year stage. Stewardship performance thus has implications for remuneration for all staff, aligning financial incentives with ESG outcomes.

Assessing the Effectiveness of our Resourcing and Governance

Swiss Life AM UK employs a relatively small team of 32 individuals in London (as at December 2025). It is common for team members to 'wear multiple hats' across functional responsibilities, including on topics related to stewardship. With this in mind, we feel that our hybrid resourcing model (comprised of both dedicated and part-time ESG resources) is appropriate given our size.

To summarise the effectiveness of our model, we maintain rigorous governance structures, embed ESG into personal objectives to directly impact staff remuneration, and engage with external sustainability consultants (e.g. EVORA and JustOne) on a project-by-project basis to ensure best practice alongside our peers. Our well-resourced team of dedicated ESG professionals ensures that we continuously benefit from cross-border collaboration, as well as localised provision, to support stewardship for our clients and beneficiaries.

Diversity, Equity & Inclusion

We recognise the importance of diversity in all our activities including stewardship. Stewardship activities in 2025 were resourced by staff members of all ages, seniority, gender, and ethnic backgrounds.

EDGE Certification

Swiss Life Asset Managers renewed its global certification at the EDGE 'Assess' Level in recognition of its commitment towards workplace gender equity and inclusive culture. The assessment recognises that Swiss Life Asset Managers has a strong global framework of policies and practices with opportunities for improvement. As part of our businesses' commitment to improvement, Swiss Life Asset Managers introduced a Quarterly HR Insights communication to ensure employees are aware of processes that are followed and new initiatives introduced. In addition, all employees were asked to complete mandatory Sexual Harassment Training with a 100% pass rate.

EY Foundation

Swiss Life AM UK continued to support the EY Foundation in 2025, an independent charity that aims to support young people facing significant barriers to employment. The foundation supports diverse young talent, aged 16–17, from low-income backgrounds who are eligible for free school meals. The programme offers candidates two weeks of work experience with access to a mentor for six months.

Health & Wellbeing

In 2025, Swiss Life AM UK again recognised Mental Health Awareness Week by hosting events to encourage our team members to connect and share their experiences related to mental health. In August 2025, we organised a Swiss Life AM UK Family Day, where we invited employees' family members to a picnic in the park in order to welcome and acknowledge our wider staff community. In addition, we again recognised National Inclusion Week in the UK office. In 2025, five members of the Swiss Life AM UK team travelled to Harrison College in Doncaster to deliver a mentoring session on careers in the real estate industry, building on a relationship established through our social value strategy in 2024.

Anti-Slavery & Anti-Human Trafficking

Under the Modern (Anti) Slavery Act 2015, Swiss Life AM UK strictly prohibits the use of modern slavery and human trafficking in our operations and supply chain. Swiss Life AM UK has a zero-tolerance approach to modern slavery and is committed to acting ethically and with integrity in all our business dealings and relationships.

Staff Impact & Engagement

We have a well-established internal UK Charity Committee. The committee is a staff-led governance body that coordinates charitable giving by Swiss Life AM UK and its staff. The Committee is comprised of five UK employees who meet quarterly and drive staff engagement through volunteering days, matched raising, and the organisation of social/charitable events. All Swiss Life AM UK staff are given two charity volunteering days per year in addition to their normal holiday allowance to allocate to a charity of their choice. In 2025, the Charity Committee organised seven volunteering days for staff.

External Service Providers

Our UK direct property team work closely with EVORA Global – an external sustainability consultancy – to continually improve our processes and ensure best practice in our responsible investment activities. EVORA provides our AA1000AS assurance for ESG processes and reporting.

We also engage a range of specialist providers to advise on ESG matters, with providers selected on a case-by-case basis according to the project and scope of work (e.g. JustOne to advise on social value).

ACA Compliance (Europe) Limited provides a programme of quarterly compliance monitoring. As part of this programme, ACA Compliance reviews our policies and conflicts log on an annual basis.

Swiss Life AM UK uses a range of property managing agents for day-to-day management of its assets. These external service providers are a crucial part of our stewardship infrastructure, acting on our behalf to manage our properties in accordance with our stewardship principles.

Systems & Technology

Swiss Life AM UK uses Etainabl, an ESG data management platform, to track energy, water, and waste data across the portfolio. Etainabl facilitates our data collection process and supports our reporting obligations including GRESB, MSCI, and regulatory reporting.

For the Christ's Hospital mandate, the Deepki ESG data platform is used to support data collection and reporting, in line with the client's own requirements.

We utilise CRREM (Carbon Risk Real Estate Monitor) analysis for carbon pathway analysis and to assess the climate-related risk profile of individual assets across the portfolio. This is modelled in our bespoke Real Estate Decarbonisation Dashboard (REDD). This analysis enables us to identify assets that may be at risk of stranding under various future carbon pricing and regulatory scenarios. Physical climate risk assessment is undertaken using the Swiss RE Sustainability Compass, which provides asset-level analysis across a broad range of physical risk categories including flood, heat stress, drought, coastal risk, and landslide risk. This tool replaced MSCI CVaR (Climate Value at Risk) analysis, which was used in prior years; the team determined that asset-level Swiss RE analysis provided more actionable insight in a real estate context. We also participate in the annual GRESB Real Estate Assessment, which provides an independent benchmark of our environmental and social performance against peers.

(C) Policies

Organisation Policies

Swiss Life AM UK has a comprehensive suite of stewardship-related policies that govern our approach to responsible investment and ESG integration. These include:

Responsible Investment (RI) Policy: Our RI Policy sets out our firm-wide approach to responsible investment. It describes how we integrate ESG factors into our investment decisions and how we manage ESG risks and opportunities across our portfolio. The policy is implemented across all investment strategies and mandates and is reviewed at least annually. In 2025, the RI Policy was subject to a technical review, incorporating minor updates to reflect regulatory developments and improvements to our internal processes; no material changes to the substance of the policy were required.

ESG Acquisition Checklists: All new acquisitions are subject to an ESG Acquisition Checklist, which assesses the ESG credentials of potential investments at the point of purchase. This checklist is integrated into our due diligence process and ensures that ESG factors are systematically considered for all new investment opportunities. In 2025, the ESG Acquisition Checklists were streamlined to improve usability and focus on the most material ESG criteria for each asset type.

Supplier Code of Conduct: Our Supplier Code of Conduct sets out the standards we expect of our suppliers and service providers in relation to environmental, social and governance matters. It covers areas including

environmental management, labour standards, human rights and business ethics. In 2025, Swiss Life Asset Managers introduced a streamlined Code of Conduct for Business Partners, applicable across all Swiss Life AM business partners.

Green Leases: We use Green Lease clauses in all new leases and lease renewals where possible. These clauses establish a framework for collaboration between landlord and tenant on sustainability matters, including energy management, waste reduction and data sharing.

Sustainable Development Guide: Our Sustainable Development Guide provides guidance on how to incorporate sustainability considerations into refurbishment and development projects across the portfolio. It sets minimum standards for energy efficiency, materials selection and waste management.

Conflicts of Interest Policy: As described in Disclosure D, our Conflicts of Interest Policy ensures that all clients are treated fairly throughout our decision-making processes.

Policy Review

All policies are reviewed at least annually to ensure that they remain fit for purpose and reflect current best practice. Where changes are required, whether due to regulatory developments, market practice, or internal experience, policies are updated accordingly.

All key stewardship-related policies were reviewed during 2025 and updated where necessary. This reflects our ongoing commitment to continuous improvement in our stewardship approach.

Policy Review & Approval Process

The Board and Executive Committee are jointly responsible for the oversight and approval of our policies and processes. Policies are reviewed and approved on an annual basis, with The Board having oversight of the framework and the Executive Committee responsible for day-to-day implementation.

Internal Compliance Function

Swiss Life AM UK operates an internal compliance function that supports policy review and monitors adherence to policies across the business. The compliance function works alongside our external compliance monitoring provider, ACA Compliance (Europe) Limited.

Swiss Life Group also operate an Internal Audit function. Topics are selected annually using a risk-based approach after discussions with the individual business units. Where a department of Swiss Life AM UK has been selected as part of the audit scope, it will assist as necessary.

No material findings have been recorded during one of these audits.

External Assurance

As part of our ongoing commitment to assurance on our stewardship processes, we engage EVORA Global to undertake independent assurance on our ESG processes and reporting in accordance with the AA1000AS standard. The scope of EVORA's assurance work covers our ESG data collection and reporting processes.

ACA Compliance: ACA Compliance (Europe) Limited provides quarterly compliance monitoring, which includes a review of our policies, conflicts log, and adherence to regulatory requirements. This programme provides ongoing external assurance on the effectiveness of our compliance and governance frameworks.

The next Swiss Life Asset Managers Internal Audit review is scheduled for Q1 2026. However, Swiss Life Asset Managers conducted thematic assurance reviews across the division in 2025, covering:

- compliance with training requirements and
- staff expense claims.

For Swiss Life AM UK, the work was undertaken in October–November 2025. The findings were reported to senior management on 18 November 2025.

(D) Conflicts of Interest

Our Conflicts of Interest Policy

Our Swiss Life AM UK Conflicts of Interest Policy ensures that all clients are treated fairly throughout our decision-making processes. A copy of our policy is published [here](#) on our website. As with all our policies, the Conflicts of Interest Policy is reviewed at least annually and updated where necessary. In addition, the policy and the conflicts log are reviewed annually by ACA Compliance (Europe) Limited, a third-party consultancy, as part of a programme of quarterly compliance monitoring.

A key aspect of this policy is to prevent a conflict of interest from occurring. Where this is unavoidable, it ensures appropriate measures are taken to mitigate and manage any such conflict to ensure that no client is adversely affected. It is clearly stated in the policy that 'The clients' best interests remain paramount'.

All new staff members must complete conflicts of interest training as part of their induction. Existing staff members are required to complete a refresher course every two years.

Swiss Life AM UK is an investment manager of alternative investment funds, providing investment advice to a number of investor clients. We only invest on behalf of clients (rather than trading on our own account), and therefore the principal form of Conflict of Interest that we manage relates to the interests of our clients. Although each fund and advisory client has its own unique investment strategy, conflicts may exist where investment strategies partly overlap. In order to mitigate and manage any potential conflicts relating to the acquisition of new

real estate assets, we operate a deal allocation process to ensure that all clients are treated fairly.

From a property perspective, we proactively anticipate the potential for conflicts relating to the letting of property assets. We manage letting conflicts by separating responsibilities between Fund/Asset Managers, restricting communication between client teams, appointing separate letting agents and keeping all commercial/legal matters separate and confidential.

Conflicts are identified and managed via both our Investment Risk Committee processes and our weekly Transactions meeting for all Investment staff, which takes place every Monday morning. There is an obligation on all staff to disclose any potential conflict from a fund, client or personal perspective within this meeting.

The Swiss Life AM UK deal allocation process operated effectively throughout 2025. There were 42 individual Investment Risk Committee meetings held, and all new acquisitions were allocated successfully.

There were no conflicts of interest to report in 2025.



Bristol, UK

(E) Engagement with Clients

Information Sharing & Feedback

We engage directly with our investors through a range of formal and informal channels. Swiss Life AM UK produces a range of reports and communications for clients, including:

Quarterly Reports: Comprehensive quarterly performance reports are provided to all fund separate account and mandate investors. These reports cover portfolio performance, market commentary, investment activity, and ESG and stewardship updates.

Annual Strategy Meetings: We hold annual strategy meetings with all key clients to review performance, discuss market conditions, and agree on the strategic direction for their investment mandates for the coming year. These meetings provide an important forum for direct dialogue on stewardship matters.

ESG Strategy Reviews: Annual ESG strategy review meetings are held with each key client to discuss ESG performance, agree on priorities for the coming year, and review progress against targets. These meetings allow us to directly incorporate client stewardship priorities into our investment and asset management activities.

Webinars & Briefings: We host regular webinars and client briefings on topical matters including market developments, sustainability themes, and regulatory changes. These events provide clients with accessible and timely information on matters affecting their investments.

Trustee Training Roundtables: We host annual Trustee Training roundtables for our charity and endowment investors. These sessions provide training on topics relevant to trustees, including responsible investment, ESG regulation, and stewardship best practice.

Ad hoc Reporting: We provide ad hoc reports and communications in response to specific client requests, including responses to Due Diligence Questionnaires (DDQs) from investment consultants and data requests from investors for their own reporting purposes.

Use of Feedback

We actively incorporate feedback from our clients and beneficiaries into our stewardship approach. Key themes emerging from our client engagement in 2025 included:

Asset Decarbonisation: Client engagement on matters such as asset decarbonisation, including planning for and responding to client requirements regarding net zero carbon pathways for their real estate portfolios, is a rolling process that we implement on a continuous basis. Several clients specifically requested updates on our progress towards achieving net zero carbon across their portfolios, which we incorporated into our quarterly reporting and ESG strategy review meetings.

Operational Environmental Data Coverage: Clients requested improvements to whole-building data coverage (targeting 100% whole building coverage by end 2025). This has been incorporated into our ESG work programme as a key priority.

Solar PV Installations: Multiple clients expressed strong interest in the installation of solar PVs across their real estate portfolios as a means of reducing carbon emissions and energy costs for occupiers. We have incorporated this as a key priority within our Asset Business Plans and ESG Budgets.

Social Value / D&I Data: Clients requested enhanced reporting on social value outcomes and Diversity & Inclusion (D&I) data from across our business and portfolios. We have responded to this by developing our Social Value Strategy and expanding our social data collection and reporting activities.

This illustrates our desire to integrate client feedback into the enhancement of our stewardship activities – both for specific clients as well as for our wider business.

Case Study

PITCH ethical investment policy review - responding to charity investor feedback on armaments and biodiversity
PITCH, Swiss Life AM UK's open-ended fund for UK charities, has operated an ethical investment policy since the fund's launch in 2004. The policy excludes lettings to tenants whose principal activities fall within defined unethical categories, including armaments, tobacco, alcohol, pornography, and higher-risk activities such as animal testing.

Compliance with the policy is reviewed on an ongoing quarterly basis, with new acquisitions representing the first formal check point.

During 2025, charity investors and their consultants raised a number of questions through our regular engagement channels, including Investor Advisory Committee discussions, DDQ responses, and bilateral client meetings, on how the ethical policy was being applied in practice. Two themes emerged:

- (i) the treatment of armaments-related exposures in the current geopolitical environment, and
- (ii) the extent to which biodiversity considerations were reflected in the fund's responsible investment framework.

In response, the PITCH fund management team reviewed the ethical policy and its application. The outputs of the review were shared with charity investors through individual client meetings and incorporated into the 2025 reporting cycle.

As a result, PITCH charity investors received clearer, more consistent reporting on the application of the ethical policy. The process reinforced our commitment to treating the ethical policy as a living framework that evolves in line with the expectations of our charity investor base.

Principle 1

1

Integration of Stewardship and Investment

Issues Prioritised for Investment Assessment

Our five investment themes drive the integration of stewardship and investment decision-making. These themes act as the primary lens through which we assess both the investment potential of assets and the stewardship priorities for our existing portfolio:

1. Change & Disruption: We track structural changes in how buildings and spaces are used, focusing on assets that remain relevant to occupiers through periods of technological and societal change.

2. Climate & Environment: We identify and respond to climate-related risks and opportunities across our portfolio, including physical climate risks (e.g. flooding, overheating) and transition risks (e.g. energy efficiency requirements, carbon pricing). We assess all assets against CRREM pathways and use the Swiss RE Sustainability Compass to assess portfolio-level physical climate risk.

3. Communities & Clustering: We invest in assets and locations that benefit from positive community dynamics and agglomeration effects, recognising the importance of place-based investment in generating enduring occupier appeal.

4. Consumers & Lifestyle: We respond to changing consumer behaviour and lifestyle trends, targeting assets that align with evolving demand for retail, residential, and leisure space.

5. Connectivity: We prioritise well-connected assets that benefit from strong transport links and digital infrastructure, recognising the growing importance of connectivity to occupiers across all real estate sectors.

These themes are prioritised based on their materiality to our portfolio and their alignment with the long-term structural trends that we believe will drive real estate demand over the next decade and beyond. The themes are reviewed annually through our Investment Plan process.

Geographically, our portfolio is concentrated in the UK (98.8% of AUM), with a small exposure in Ireland (1.2%). Our stewardship activities are therefore primarily focused on the UK real estate market, with UK regulatory requirements and market standards guiding our approach.

Integration into our Investment Process

We regard Responsible Property Investment (RPI) as a core part of our management approach and define it as the consideration of environmental, social and governance (ESG) issues within our investment process and operations.

We integrate ESG criteria, as well as risk factors and financial metrics, into a controlled and structured investment process. We ensure prudent investment selection, specification for development and refurbishments and management of the buildings under our care. We believe this generates long-term risk-adjusted returns, supports climate change mitigation, and aligns our investment goals to those of our investors and stakeholders.

We have established a comprehensive ESG strategy that ensures continual improvement of our ESG performance and enshrines our commitments as a business. We monitor performance against our ESG strategy KPIs on a half-yearly basis. We have implemented processes to limit our environmental impact and contribute positively to the communities in which we invest. We intend to make continual improvements in the coming years.

Our Swiss Life Asset Managers Responsible Investment Policy defines the approach that the company uses towards responsible investment across its asset classes and product categories. More specifically, the policy includes various layers of strategies that operationalise in practice the sustainability priorities we set both at the company and product levels, while also ensuring that our practices align with regulatory requirements and the most recent market developments in sustainable finance.

As a primary, fundamental layer, Swiss Life Asset Managers routinely assesses sustainability-related risks as a part of our integrated risk management framework, thereby serving our

fiduciary duty. Building on the fundamental layer, additional layers of our responsible investment strategies include exclusions, sustainability/ESG objectives and active stewardship, whose implementation depends on the asset class and product in question.

For further information on Swiss Life AM UK's approach to Responsible Property Investment, a copy of our Responsible Investment Policy is available on our [website](#).

ESG Integration in the Acquisition Process

All new acquisitions are subject to a comprehensive ESG Acquisition Checklist, which is integrated into our due diligence process. This checklist assesses the ESG credentials of potential investments across a range of criteria including energy efficiency (EPC ratings), climate risk (CRREM analysis and Net Zero Carbon assessments), planning and permitted use, environmental contamination, and social value potential.

CRREM Analysis

We apply CRREM (Carbon Risk Real Estate Monitor) analysis to all proposed acquisitions to assess whether the asset is currently on a carbon pathway consistent with a 1.5°C or 2°C scenario. Assets that are significantly 'above pathway' at acquisition represent a higher transition risk and require a more detailed assessment of the capital investment required to decarbonise.

NZC Assessments

All acquisitions are subject to a Net Zero Carbon (NZC) assessment to understand the investment required to bring the asset to net zero carbon over the course of the hold period. This assessment is incorporated into the business plan for the asset and informs the purchase price and capital expenditure budget.

Acquisition Activity in 2025

During 2025, we completed 9 acquisitions across our managed portfolios, totalling c.£136m. For each acquisition, our asset management team engaged proactively with existing and prospective tenants to understand their requirements and the potential for value enhancement through proactive management. All acquired assets were subject to our standard ESG due diligence process including CRREM analysis and NZC assessments, and Asset Business Plans incorporating ESG actions were prepared for each asset upon acquisition. The following case studies illustrate this approach:

Case Study

Brighton Retail Park Acquisition

As part of the CIP portfolio's strategy to acquire income-resilient commercial assets, Swiss Life AM UK identified a food-anchored retail park in Brighton comprising a diversified mix of value and convenience retailers including TK Maxx, Pets at Home, Lidl, DFS, and KFC. We were looking to acquire a well-located, income-resilient retail park with strong occupier fundamentals, while ensuring that ESG considerations, including tenant covenant strength, lease events, and sustainability potential, were fully integrated into the due diligence and acquisition process.

Prior to exchange, the investment team engaged directly with all key occupiers to assess trading performance, covenant strength, and upcoming lease events. The ESG Acquisition Checklist was applied to the asset to ensure all ESG risks and improvement opportunities were understood. Green lease clause negotiations were initiated with tenants upon completion and MPAN (Meter Point Administration Number) data was obtained to improve energy consumption data coverage from acquisition.

The acquisition was completed during 2025, adding a high quality income-generating retail park to the CIP portfolio. Direct pre-acquisition tenant engagement provided early intelligence on trading performance lease renewal appetite and sustainability priorities, enabling a proactive asset management plan to be formulated at the outset.

Case Study

Self-Storage New Developments - Chesterfield & Sheffield

Swiss Life Thematic Continuation 1 LP (SLTC1), a specialised self-storage strategy operating under 'The Storage Team' brand, completed the exchange on two new self-storage developments in Chesterfield and Sheffield during 2025. These represent the fourteenth and fifteenth assets to the portfolio, which is managed by MCSS, a wholly owned subsidiary of Swiss Life AM UK. We aimed to expand the portfolio with best-in-class new-build assets, delivering the highest possible ESG credentials from the outset and demonstrating that operational real estate can achieve leading sustainability standards.

Both assets are purpose-built new developments designed to the highest ESG specifications. Solar PV was incorporated into both developments as part of the standard specification. The assets were subject to the ESG Acquisition Checklist as part of the due diligence process.

Both Chesterfield and Sheffield assets achieve EPC A+ ratings on completion, consistent with the wider MCSS portfolio where solar PV installation has driven best-in-class EPC performance. Through an active operational ESG strategy, the portfolio as a whole is carbon net positive with its properties producing more energy in aggregate than they are consuming.



Brighton, UK



Chesterfield, UK

Case Study

Christ's Hospital - Net Zero Pathway Analysis

Following the appointment of Swiss Life AM UK as investment adviser for Christ's Hospital's £120m commercial property portfolio in September 2024, establishing a baseline ESG assessment and developing a long-term net zero carbon strategy was an early priority. We looked to map the current carbon performance of all Christ's Hospital assets against a 2030 net zero carbon target, identify assets at risk of stranding, and develop a prioritised improvement strategy.

We deployed the Deepki ESG data platform to collect and manage energy consumption data across the 22-asset Christ's Hospital portfolio. Net zero carbon pathways were modelled for all assets, with those at risk of stranding against the 2030 target identified. A 10-year improvement strategy was developed to address stranded assets as leases expire and units become vacant, enabling works such as removal of gas plant, LED lighting upgrades, and EPC improvements to be undertaken during void periods without disruption to existing tenants.

As a result, we have developed a comprehensive net zero carbon pathway for the Christ's Hospital portfolio, with a clear prioritised programme for upgrading underperforming assets.

Maximising ESG Credentials at the Property Level

We are committed to using our influence where possible to improve sustainability of the built environment. We achieve this through careful asset selection, development specification, asset refurbishment and diligent integration of ESG considerations into all business processes.

We carefully select investments through our rigorous ESG acquisition screening process and look to maximise asset value through refurbishment and the implementation of ESG initiatives. There is increasing recognition of the 'value' of ESG through growing evidence of enhanced rents, reduced void periods, and increased leasing velocity. Many ESG initiatives are not only a cost but provide a return through reduced consumption and running costs or provide an additional income stream (e.g. solar panels).

When we refurbish assets, we aim for best practice energy efficiency, carbon reduction, and health and wellbeing measures. We improve lighting, remove gas supplies, install on-site renewable energy, and incorporate wellbeing features such as cycle stores, showers and biophilia. We also encourage use of sustainable materials and practices during refurbishment.

Our proprietary Swiss Life AM UK Sustainable Development and Refurbishment Guide includes detailed ESG principles governing all refurbishment activities. ESG Acquisition Checklists are completed for all new acquisitions, and Responsible Investment procedures are incorporated throughout our asset management and reporting processes. These procedures extend (but are not limited) to:

- ESG Asset Logbooks
- Green Lease Implementation
- Swiss Life AM UK Sustainable Development & Refurbishment Guide
- Swiss Life AM UK Supplier Code of Conduct
- Swiss Life AM UK Supplier Sustainability Questionnaire
- Swiss Life AM UK Property Manager Sustainability Standards & Guidance
- Swiss Life AM UK Sustainable Fit-out Guide

All these policies and procedures require committed engagement with our stakeholders, including tenants, property managers, suppliers, lawyers and other third-party service providers.

Principle

Market-wide & Systematic Risks

Market-Wide & Systematic Risks Identified

Risk Management Framework

Our risk management framework encapsulates our entire investment process. Swiss Life AM UK is authorised and regulated by the FCA. In accordance with regulatory requirements, we have implemented a robust framework to identify, monitor and report risks across our portfolio. Our risk management framework includes 10 risk categories:



Milton Keynes, UK



| Risk Categories | Definition |
|--------------------------------------|---|
| <i>Systematic (Market) Risk</i> | Risk factors affecting the entire market and all properties in a similar way (interest rates, GDP, inflation, political changes such as tax or regulation). |
| <i>Performance Risk</i> | Recent performance developments (relative vs. benchmark or absolute) and risk of failing to meet investment objectives and target returns. |
| <i>Liquidity Risk & Leverage</i> | <p>Liquidity risk: Monitors factors impacting a portfolio's ability to meet liabilities/redemptions. Where appropriate, liquidity in a portfolio is stress tested under different redemption scenarios. Liquidity within portfolios is measured by assessing the time required to convert an asset into cash given current market conditions and asset management initiatives as well as the risk an asset is potentially overvalued given current investor appetite.</p> <p>Leverage: Use of borrowed capital to purchase and/or increase the potential return of investment. It refers to total amount of debt on a property relative to current market value. The risk assessment considers the portfolio's ability to service financing costs and repayments, as well as the risk of breaching any of the debt covenants.</p> |
| <i>Concentration Risk</i> | Concentration of exposure to single investments/assets, geographical focus, sectors or tenants. |
| <i>Credit Risk</i> | Refers to the credit risk of tenants defaulting at a portfolio level, i.e. aggregate tenant credit risk. |
| <i>Valuation Risk</i> | Refers to any error in the valuation of a property or portfolio (e.g. in expected rent potential, capital expenditure, re-letting assumptions). Valuation risk also extends to fund unit pricing and the potential for dealings at an inaccurate price. |
| <i>Asset Level Risk</i> | In contrast to systematic risk, asset level risk (i.e. unsystematic risk) is specific to a particular property, e.g. capital expenditure, construction or environmental risks. |
| <i>Counterparty Risk</i> | Refers to risks from counterparties, such as property managers and banks, that could impact the operation and performance of the vehicle (e.g. mismanagement or bankruptcy). Includes limits on cash held in a single institution. |
| <i>Regulatory Risk</i> | Refers to risks arising from a changing regulatory environment. |
| <i>ESG Risk</i> | Risk of increased obsolescence, higher capex requirements and reduction in liquidity for assets that are not resilient to changes associated with climate change. These risks are split into physical risks (e.g., resilience to more extreme weather events associated with climate change, such as flooding) and transition risks (e.g., risks associated with the changing regulatory environment in the shift to net zero carbon, such as higher capex requirements to meet rising energy efficiency standards). Wider factors include environmental data availability and green building certification. Risk of Greenwashing arising when sustainability related statements or communications do not clearly and fairly reflect the underlying sustainability profile of an entity, a financial product, or financial service. As a mitigant, a dedicated framework to assess greenwashing risks and determine appropriate controls throughout the value chain has been implemented. |

Risk Management Procedures

The risk categories defined above provide a reporting framework for our main investment risk management procedures at a fund level:

- > **Fund risk profiling:** Each fund and mandate has a risk profile that is agreed with the investor and sets out the key risk parameters for the portfolio. The risk profile is reviewed annually as part of the regular risk reporting process.
- > **Fund risk monitoring:** Portfolio risk metrics are reported to the Investment Risk Committee on a quarterly basis. The IRC reviews performance against risk parameters and escalates any concerns to the Executive Committee and Board as appropriate.
- > **Fund risk modelling and stress testing:** On an annual basis, reports will include comments on the stress testing of the assumptions that underpin the annual hold/sell analysis and prospective base case IRR. Hypothetical stress tests are undertaken using economic scenarios including interest rate shocks, valuation declines, and occupier failures. Where relevant, liquidity stress tests are performed using a model that enables us to stress both the asset and liability sides of the funds. Possible scenarios include market value / rental income stress, higher capital expenditure, or redemptions during real estate crises. The scenarios have been developed using historical or experience-based assumptions. Portfolio Monitoring Analysis ('PMA') scenarios are used in addition to CRREM analysis to model transition risks. Physical climate risks are assessed using the Swiss RE Sustainability Compass.
- > **Fund risk reporting and escalation:** A comprehensive risk reporting framework is in place, with quarterly risk reports prepared for each fund and mandate and reported to the IRC. Where material risks are identified, these are escalated to the relevant client and the Board as appropriate.

Analysis of tenant counterparty risk as well as the shape of the income expiry profile, is undertaken to assess the stability of future income and understand potential impacts on the income distribution yield.

2025 Market-Wide Risk Assessment

In 2025, the key market-wide and systemic risks monitored and managed by Swiss Life AM UK included the following themes, reviewed quarterly through the IRC risk sessions chaired by Tim Munn:

- > **Income risk:** With portfolios weighted towards income-generating assets, the team maintained close attention to tenant covenant strength, income sustainability, and occupational demand across different sectors. The risk of income loss due to tenant failure or void periods was the primary concern, particularly given continued market caution around some office and non-food retail sectors.
- > **Physical climate risk and flood risk:** Flood risk remained a prominent concern in 2025, particularly in relation to assets in locations identified as being at elevated risk of future flooding under climate change scenarios. Swiss Life AM UK uses the Swiss RE Sustainability Compass to assess flood, heat, drought, and other physical risks across the portfolio and during due diligence for potential acquisitions. This tool replaced the MSCI CVaR analysis referenced in previous reports; the team determined that the MSCI CVaR model produced results that were difficult to interpret in a real estate context, and that the Swiss RE tool provided more actionable, asset-level analysis across a broader range of physical risk categories including water, coastal flooding, heat stress, and landslide risk.
- > **Regulatory and energy efficiency risk (MEES):** The ongoing transition of the real estate sector towards higher minimum energy efficiency standards (MEES) and the UK's net zero carbon trajectory continued to drive capital expenditure planning and hold/sell analysis across the portfolio. Assets with poor EPC ratings require active management plans to remain lettable and liquid.
- > **Macroeconomic and interest rate environment:** The divisional macro economics team within Swiss Life Asset Managers continued to provide macroeconomic scenario analysis informing the house view, including assessments of interest rate movements, planning policy changes, and broader economic conditions. This divisional input is incorporated into the bi-annual all-hands strategy sessions and feeds into Investment Plans for each fund mandate.

Decarbonisation Analysis

Swiss Life AM UK is focused on building climate resilience, and as a result, a priority focus area has been developing and monitoring a robust pathway to net zero carbon. We have a duty to take practical steps to decarbonise, future-proof and maintain the value of the real estate portfolios under our care. By ensuring we have a clear understanding of our pathway to net zero, we will be able to prioritise effectively, plan carefully, and use all the decarbonisation levers available to us to make better-informed investment decisions.

Swiss Life Asset Managers has committed to reduce the carbon intensity (kgCO₂e/m²) of the direct real estate portfolio by 20% by 2030, in line with the aims of the Paris Agreement. In May 2022, we became signatories of the Net Zero Asset Managers Initiative (NZAMi), reinforcing our commitment to supporting the goal of net zero greenhouse gas emissions by 2050 or sooner for the direct real estate portfolio, in line with global efforts to limit warming to 1.5 degrees Celsius; and to support investment aligned with net zero emissions by 2050 or sooner.

In 2021, we developed our decarbonisation pathway, with the analysis based on the CRREM (Carbon Risk Real Estate Monitor) tool. In 2022, we advanced our decarbonisation pathway analysis by developing pathways for all funds – scalable from country, portfolio and asset level. As a business we are continuously progressing our programme of asset and portfolio level net zero actions in line with our NZAMi commitment.

In addition, we undertake asset level net zero audits on Swiss Life AM UK properties using our decarbonisation analysis to inform prioritisation. Detailed net zero audits of our assets help us to understand current performance, as well as the interventions and costs required to achieve net zero carbon.

Policy & Standard-Setting Engagement

Swiss Life AM UK and Swiss Life Asset Managers are actively involved in a range of industry initiatives and standard-setting bodies that contribute to a well-functioning financial system and promote the highest standards of stewardship and ESG integration. These include:

- > **UN PRI:** Swiss Life Asset Managers is a signatory to the United Nations Principles for Responsible Investment (UN PRI). As a signatory, we are committed to incorporating ESG factors into our investment analysis and decision-making, and we report annually on our progress against the PRI Reporting Framework.
- > **NZAMi (Net Zero Asset Managers Initiative):** Swiss Life Asset Managers is a signatory to the NZAMi. As part of our commitment, we have published our NZAMi Target Disclosure setting out our interim targets for achieving net zero across our portfolios by 2050.
- > **IIGCC (Institutional Investors Group on Climate Change):** Swiss Life Asset Managers is a member of IIGCC and contributes to its working groups and initiatives on climate-related investment risks and opportunities.
- > **Climate Action 100+:** Swiss Life Asset Managers participates in Climate Action 100+, the global investor initiative to ensure that the world's largest corporate greenhouse gas emitters take the necessary action on climate change.
- > **Living Wage:** Swiss Life AM UK holds the Living Wage Accreditation, demonstrating our commitment to ensuring that all employees and contractors working on our behalf are paid at least the real Living Wage.
- > **GRESB:** Both Swiss Life AM UK's PITCH fund and MCPUT fund participate in the annual GRESB Real Estate Assessment. In the 2025 GRESB assessment, our PITCH fund achieved a score of 84, ranking 18th out of 75 peers in its peer group.

> **ICGN (International Corporate Governance Network):** Swiss Life Asset Managers is a member of ICGN, which promotes effective standards of corporate governance and investor stewardship globally.

> **AREF (Association of Real Estate Funds):** Swiss Life AM UK is an active member of AREF, the trade association for the UK real estate fund management industry. We participate in AREF working groups and committees, contributing to the development of industry standards and best practice guidelines.

> **INREV (European Association for Investors in Non-Listed Real Estate Vehicles):** Swiss Life Asset Managers is a member of INREV and contributes to its working groups and research activities on non-listed real estate investment.

> **IPF (Investment Property Forum):** We are active members of the IPF and participate in its research and education programmes.

> **RICS (Royal Institution of Chartered Surveyors):** Many of our team members hold RICS qualifications and are active participants in RICS events and initiatives.

Examples of Policy & Standard-Setting Contributions in 2025

During 2025, Swiss Life AM UK and Swiss Life Asset Managers made a number of specific contributions to policy and standard-setting:

Reserved Investor Fund (RIF): Tim Munn was involved in supporting the launch of a new UK domiciled tax-efficient fund structure called the Reserved Investor Fund (RIF) through AREF, writing letters of support to Government and industry bodies to advance the initiative.

ESG Roundtable (Latitude): Tim Munn attended an ESG roundtable organised by Latitude, contributing Swiss Life AM UK's perspective on responsible investment in real estate. The roundtable was attended by representatives from all major real estate investment management firms.

MSCI IPF Investment Seminar: Tim Munn chaired the MSCI IPF Investment Seminar on 7 May 2025 to discuss UK property market performance.

AREF Education and Training Event: Jos Seligman (Investment Director) served as a panellist at an AREF event on investor appetite across real estate sectors, providing insights on current market trends and investor sentiment.



Presentation by EY Foundation Students, London, UK



Volunteering with Hackney Foodbank, London, UK

Case Study

Empowering Places – Our Social Value Strategy

Following the formal launch of our UK Social Value Strategy ('Empowering Places') in 2023, we have continued to develop the programme in subsequent years. Our Social Value Report 2024 was published in October 2025. Going forward, the Social Value Report will be published on a biennial basis. Our strategy, entitled 'Empowering Places', is 'place-based' and aims to tackle challenges caused by the social and demographic inequality affecting towns and cities across the UK. It signals our continued commitment to creating positive social impact within the communities in which we invest and focuses on uplifting the communities around our property assets, delivering tailored impacts that respond to the needs of local communities.

In 2025, Manchester was selected as the focus location for our Empowering Places programme, following comprehensive needs-based analysis of deprivation metrics across areas in which we invest. We partnered with Forever Manchester, a local community foundation, to support grassroots community activities in Greater Manchester. Swiss Life AM UK made a donation of £20,000 to Forever Manchester, and Swiss Life AM UK team members contributed 7 volunteering days to support community projects in the area.

The focus on Greater Manchester in 2025 followed our work with the South Yorkshire Community Foundation in 2023. Our place-based methodology involves identifying areas with high deprivation scores across indicators including education, health and wellbeing, crime, and economic prosperity, with a focus on locations where we hold commercial property assets, and then partnering with a local community foundation to direct donations to causes aligned with our two strategic social value objectives:

- promoting healthy and inclusive environments; and
- promoting access to education and skills for under served groups.

In addition to the Empowering Places programme, the MCSS self-storage portfolio supports social value at the asset level through the provision of complimentary or subsidised storage space for local charities at each of its 15 stores. This space is used for purposes such as storing charitable donations, providing overflow storage for local charity shops, and supporting local charity events. The exact nature of charitable use varies by store and is managed flexibly.



Mentoring day at Harrison College, Doncaster, UK

Engagement Systematic Risks

During 2025, Swiss Life AM UK engaged with a range of stakeholders on systemic risk matters:

PITCH Investor Engagement

Throughout 2025, PITCH held quarterly Investors' Committee meetings, bringing together investors for a detailed review of fund performance, strategy, and ESG matters. In addition, PITCH lunches were held several times during the year with existing and prospective investors, providing an opportunity to meet members of the PITCH Fund team and discuss investment themes in an informal setting.

Roundtable with Mayor of Manchester

In February 2025, Swiss Life AM UK participated in a roundtable event in Manchester with Andy Burnham, Mayor of Greater Manchester, and other real estate investors to discuss systemic risks and opportunities in the Manchester commercial real estate market.



Roundtable Event, Manchester

In 2025, systemic risk engagement with holdings included the following:

Case Study

Sheffield development – Acquisition withdrawal during due diligence due to flood risk concerns

Swiss Life AM UK was assessing a potential residential development acquisition in Sheffield in 2025 with the intent of holding the asset for the long term. Sheffield as a city faces a particular flood risk profile due to water flows from surrounding hills and multiple river tributaries passing through the city.

Our objective was to assess whether the physical climate risk profile of the Sheffield site was consistent with a long-term investment hold, and to determine whether flood risk could be adequately mitigated or whether it presented an unacceptable long-term risk to asset value.

As part of due diligence, the development flagged materially elevated flood risk. Despite Government Environment Agency flood risk maps showing low levels of risk at the site, the team commissioned a specialist independent flood risk expert to provide a detailed assessment.

This expert confirmed that Sheffield faces heightened exposure to future flooding, and that the specific site's location made adequate flood defence provision highly uncertain over a long-term hold period. The investment team presented its findings to the IRC for review and decision.

Following the IRC's review, Swiss Life AM UK made the decision to withdraw from the Sheffield acquisition during due diligence. This case study illustrates how the Climate & Environment investment theme and Swiss Life AM UK's physical climate risk assessment process directly influenced an investment decision in 2025.

Case Study

PITCH Asset-Level ESG Improvements

In addition to lease-level stewardship discussed below under Principle 4, the PITCH team has responded to market-wide risks, in particular the transition to higher minimum energy efficiency standards (MEES) and the UK's net zero carbon trajectory, through a sustained programme of asset-level ESG improvements.

Poor EPC ratings, rising energy costs, and tightening regulatory standards represent a material systemic risk for UK commercial real estate, with the potential to adversely affect lettable, rental values, and liquidity. To mitigate these risks across the PITCH portfolio, significant capital expenditure has been deployed over the last five years to improve the EPC profile of the portfolio and reduce reliance on fossil fuels.

In 2025, the PITCH team's asset-level activity included:

- > 4 assets refurbished, improving from EPC rating of C or D to EPC rating A;
- > 8 solar PV installations completed, supporting on-site renewable energy generation and reducing exposure to grid energy price volatility; and
- > targeted removal of gas-based heating systems and upgrades to LED lighting and water-saving technology as part of void-period refurbishments.

As a result, 94% of PITCH assets now have EPC ratings of A, B or C, materially reducing the portfolio's exposure to MEES-related stranding risk and positioning the fund to meet its long-term net zero carbon commitments. These asset-level improvements complement the fund's green lease programme by ensuring that the physical fabric of the portfolio keeps pace with the enhanced sustainability obligations being agreed at lease level.

Escalation on Systematic Risks

In 2025, systemic risk conditions across Swiss Life AM UK's portfolios were monitored through the standard IRC quarterly risk review process. No extraordinary escalation events beyond the standard IRC process were required during 2025.

The quarterly risk review sessions reviewed the risk landscape across all portfolios, assessed whether risk levels were increasing, reducing, or stable, and fed outputs into the bi-annual all-staff strategy sessions. The outputs of these strategy sessions are incorporated into Investment Plans for each fund mandate, ensuring that systemic risk assessment directly informs investment decision-making.

Where systemic risk analysis, for example, concerning flood risk or occupational market conditions, indicated a need for action at the asset level, this was fed through to the relevant portfolio manager and addressed within the asset management plan for the affected assets.



Stockport, UK

Principle 3

Engagement to Maintain or Enhance Value

Selecting & Prioritising Engagements

Our five investment themes drive the integration of stewardship and investment decision-making. These themes act as the primary lens through which we assess both the investment potential of assets and the stewardship priorities for our existing portfolio:

Annual Portfolio Review

As part of our annual investment planning process, we conduct a comprehensive review of the ESG performance and stewardship priorities for each asset in the portfolio. This review informs the preparation of Asset Business Plans, which set out the specific ESG and stewardship actions to be taken at each asset during the coming year. Key portfolio risk metrics are reviewed quarterly by the IRC, which enables us to prioritise engagements with tenants and other stakeholders where asset-level risks are most material.

Purpose of Engagement

In 2025, Swiss Life AM UK's tenant and stakeholder engagement activities across its managed portfolios included direct tenant engagement at acquisition, ongoing occupier ESG discussions, green lease negotiations, and property manager performance reviews.

Key engagement themes in 2025 included:

- > Improving green lease coverage (with particular focus on PITCH, where 58% of portfolio income is now subject to green lease clauses);

- > Gathering operational energy, water, and waste data to support GRESB reporting;
- > Supporting tenants in pursuing their own sustainability improvements (e.g. solar PV installations); and
- > Managing assets' transition risks in line with net zero carbon pathways.

Our tenant and stakeholder engagement activities serve a range of objectives:

Maintaining & Enhancing Asset Value

We engage with tenants on a proactive basis to understand their occupational requirements and to work with them on initiatives that improve the quality and sustainability of the building. This engagement helps us to retain occupiers, reduce void periods, and maintain and enhance rental values.

Delivering Stewardship Commitments

We engage with tenants to obtain operational data (energy, water, waste) for inclusion in our ESG reporting, and to collaborate on initiatives to reduce the environmental impact of our assets.

Managing Risk

We engage with tenants on material risks to the portfolio, including the impact of their business activities on the physical fabric of buildings, their compliance with lease obligations, and the implications of their covenant strength for future income.

Methods of Engagement

Our engagement with tenants and other stakeholders takes a variety of forms:

Formal Reports & Communications

We provide tenants with regular updates on the ESG performance of their buildings, including energy and carbon data, and information on planned improvements. These communications are designed to foster a collaborative approach to sustainability management.

In-Person Meetings

Our asset management team holds regular in-person meetings with key tenants to discuss their operational requirements and any issues relating to the management of the building. For our larger, multi-let assets, we hold annual tenant engagement sessions or roadshows.

Property Inspections

Our asset managers conduct regular inspections of all properties in the portfolio to monitor their physical condition and identify any maintenance, sustainability, or compliance issues that require attention.

Planned / Recurring Engagement

We hold planned engagement sessions with key tenants at regular intervals throughout the year, including at lease events (lease expiry, rent reviews, lease renewals) and at key points in the asset management programme (e.g. refurbishment projects, capex programmes).

Project-Based Engagement

For specific asset management projects (e.g. refurbishments, sustainability upgrades), we engage with tenants on a project-specific basis to understand their requirements and to minimise the disruption caused by the works.

Ad hoc Engagement

We respond promptly to ad hoc queries and requests from tenants, and we proactively raise issues with tenants where necessary to protect the value of the asset and the interests of our investor clients.

Annual Tenant Questionnaires

For MC CPT assets, our annual tenant questionnaire providing occupiers with an opportunity to raise any concerns about their accommodation or the management of the building.

Annual ESG Surveys

We send annual ESG surveys sent to the primary investors in the self-storage portfolio (MCSS), covering operational and ESG performance.

KPI Review Meetings

We conduct 6-monthly formal KPI review meetings with property managers at fund level, assessing service delivery, ESG performance, and any issues arising.

Tenant Engagement Considerations

Engaging closely with tenants is vital to our responsible investment approach. In describing our approach to tenant engagement, it is essential to highlight the impact that tenant lease terms have on our ability to implement ESG initiatives at the asset-level. We distinguish between two approaches to integrating ESG initiatives at our properties:

1. 'Multi-let' leases – For properties comprising 'Multi-let' leases, Swiss Life AM UK maintains full control of the asset assuming full responsibility for the common parts of buildings (roofs, shared amenities, entrances, staircases, etc.) The landlord of a 'Multi-let' property lets space within each property to tenants (e.g. second floor, third floor, etc.), and charges a fee to tenants for general upkeep and use of common parts. 'Multi-let' leases allow landlords to fully manage and integrate ESG initiatives within properties, such as the selection of renewable energy suppliers. We hold regular tenant meetings at 'Multi-let' assets to establish tenants' needs, build support for sustainability initiatives, and draw on occupiers' own ideas for ESG integration.

2. 'Full repairing and insuring' (FRI) leases – FRI leases offer limited control to landlords. FRIs typically relate to properties with a single tenant ('Single-let') that assumes full responsibility for features such as general repair, maintenance, property insurance, broadband, and utility procurement. The 'Single-let' tenant is responsible for operation and upkeep, meaning the landlord's ability to influence aspects of the property is limited in comparison to 'Multi-let' leases.

Swiss Life AM UK manages 51 individual ‘Single-let’ assets. Weighted by value, these properties constitute 24% of our total AUM. Despite the increased challenge of making a meaningful difference in these assets, we undertake tenant surveys to try to understand our occupiers’ views on sustainability and identify areas in which we can assist. For example, if an occupier is seeking to enhance the energy efficiency of their building, we would be eager to find ways to help them fund the cost of this – perhaps through extending their lease or paying an increased rent. Sustainable objectives are more easily attained through working in partnership. This distinction between ‘Multi-let’ and FRI leases is an industry-wide challenge affecting all real estate investment managers or landlords who seek to improve the sustainability credentials within existing ‘Single-let’ properties. In our experience, many ‘Single-let’ FRI tenants are reluctant to engage with landlords because there is no legal requirement to do so and they may have their own ESG plan and priorities, and in some cases are targeting their largest premises first. This is a key challenge for managers of existing real estate assets – it is far easier for a landlord to optimise ESG characteristics in a refurbishment or new build (e.g. through onsite renewable energy) before an FRI lease is signed with a new tenant.

There is no “quick fix” solution and affecting change requires long-term solutions. Despite energy procurement within ‘Single-let’ properties being a tenant responsibility, we can affect positive change by collaborating closely with tenants.

We strongly believe that responsible property investors have an obligation to promote ESG initiatives with tenants by encouraging ESG data sharing, collaborating on the implementation of onsite renewables and other ESG measures, and to engage and influence tenants to switch to renewable energy suppliers.

More effective collaboration and positive engagement between landlords and tenants will be required to achieve successful and consistent ESG data sharing supporting the transition to net zero carbon. Until then, we remain focused on our primary goal of reducing the environmental impact of our buildings – increased data sharing is just the first step.

We seek to be market leaders and will continue our efforts to positively influence our occupiers in accordance with our own ESG principles.

Engagement Examples & Progress

The following case studies from 2025 illustrate how our stewardship-integrated approach was applied across different funds and asset types.

Case Study

Theale asset refurbishment - EPC D to A (CH)

A unit within the CH portfolio in Theale, Reading became vacant in 2025, presenting an opportunity to undertake a comprehensive ESG-led refurbishment prior to re-letting. Our objective was to use the vacancy period as an opportunity to significantly improve the ESG credentials of the asset, eliminate reliance on fossil fuels, and bring the property to EPC A standard, maximising future lettable, rental value, and long-term asset value.

With the unit vacant, the investment team undertook a programme of improvements including:

- removal of all gas heating systems;
- installation of LED lighting throughout; and
- installation of water-saving technology.

The works were designed to deliver the maximum possible EPC improvement during the void period, with the decarbonisation pathway and long-term net zero target firmly in mind.

The Theale unit improved from EPC rating D to EPC rating A following the refurbishment, a step-change in the asset's sustainability credentials that significantly enhances its attractiveness to occupiers seeking energy-efficient space.

Case Study

Altrincham lease-end refurbishment – full decarbonisation upgrade (CIP)

A lease expired at a CIP asset in Altrincham, providing the opportunity for a comprehensive, high-specification refurbishment to modernise the building and fully eliminate reliance on fossil fuels. We aimed to undertake a full ESG-led refurbishment on lease expiry, removing all gas from the building, achieving a significant improvement in energy efficiency, and creating modern, sustainable commercial accommodation that maximises future lettable and rental value.

Swiss Life AM UK committed £5.5 million to a comprehensive refurbishment programme at the Altrincham asset. The works included:

- complete removal of all gas-based heating and plant systems;
- installation of new all-electric building services;
- new energy-efficient office fit-out; and
- installation of solar PV panels on the roof.

The refurbishment was designed with the asset's long-term net zero carbon pathway and occupier appeal firmly in mind. As a result, the Altrincham asset has been transformed into a modern, all-electric commercial property with on-site solar PV generation.

Case Study

Tenant solar PV installation - Poole retail warehouse (MC CPT)

The MC Commercial Property Trust (MC CPT) holds a retail warehouse asset in Poole, tenanted by a major UK food retailer. The food retailer's operational energy consumption is a material driver of the whole-building's ESG performance of the asset. We wanted to support the tenant in reducing its operational carbon footprint at the Poole retail warehouse, improving the asset's overall sustainability credentials and demonstrating active landlord-tenant collaboration on ESG matters.

The MC CPT asset management team engaged with the tenant to support the feasibility and implementation of a tenant-funded solar PV installation on the roof of the retail warehouse. Swiss Life AM UK facilitated the process as landlord, including granting the necessary consents and cooperating on structural and planning matters. As a result, the tenant successfully installed a solar PV array on the Poole retail warehouse roof, reducing the tenant's operational energy consumption and carbon emissions at the site.

Case Study

Self-storage solar PV programme - net energy positive portfolio (The Storage Team)

The Storage Team (TST), the brand behind Swiss Life AM UK's 15-store self-storage portfolio, identified an opportunity to harness the large roof areas of self-storage facilities for solar PV generation. Self-storage is a low energy-intensity asset class, meaning that well-sized solar PV systems can generate substantially more energy than the stores consume. Our objective is to maximise on-site renewable energy generation across the TST portfolio, targeting a position where the portfolio generates more

Solar PV systems have been installed across 14 of the 15 TST stores. TST owns the solar infrastructure directly, maintaining full control over generation capacity and energy export. Where grid capacity (Distribution Network Operator, or DNO) constraints allow, surplus energy is exported to the national grid. In some locations, DNO export limits have been reached due to the scale of generation relative to local grid capacity.

The portfolio now operates on a net energy positive basis, generating more electricity from solar than it consumes operationally. As a result of this programme, the vast majority of TST stores have achieved EPC A+ ratings.

Case Study

PITCH residential strategy – targeting affordable, sustainable housing

PITCH holds a small allocation to residential property (approximately 5% of the fund) as part of a deliberate strategy to provide well-located, sustainable, affordable housing for key workers and local residents. The purpose of these assets is to provide high-quality, energy-efficient residential accommodation at price points accessible to local earners, delivering a positive social impact for key workers and lower-income households while generating stable rental income for charity investors. As a result, approximately 30% of tenants are key workers.

As part of this strategy, PITCH acquired 12 newly built residential units in Exeter directly from a developer. The properties were designed and built to high energy efficiency standards, including solar PV panels on rooftops and all-electric specification. PITCH assessed the affordability of rents against local earnings using an affordability matrix, and prioritised locations with good access to schools, public transport, and local amenities.

All 12 units achieved EPC A ratings. The residential portfolio provides stable, affordable rental accommodation for local households while delivering strong ESG outcomes for PITCH's charity investors.

Escalation on Engagement

In 2025, all tenant and stakeholder engagement issues were managed through standard engagement processes without the need for formal escalation beyond the established IRC framework. 42 IRC meetings were held during 2025, providing regular and frequent opportunities for escalation of any material issues. No significant disputes with tenants, property managers, or counterparties requiring formal escalation arose during the year.

Principle 4

Exercising Rights & Responsibilities

4

In 2025, Swiss Life AM UK did not have formal voting opportunities in relation to indirect real estate investments or other vehicles. The near-zero indirect exposure (less than 1% of AUM) means that formal voting rights are not a material feature of Swiss Life AM UK's stewardship approach.

Our Rights & Responsibilities in Direct Real Estate

As a direct real estate owner and manager, Swiss Life AM UK exercises a broad range of rights and responsibilities. These include:

Lease Management: As landlord, we exercise our rights under lease agreements to manage the use, maintenance, and improvement of our assets. This includes enforcement of lease obligations (e.g. repair and maintenance obligations, use clauses), management of lease events (renewals, rent reviews, lease breaks), and negotiation of lease terms that incorporate sustainability obligations through Green Lease clauses.

Planning & Development: We exercise our rights as property owner in planning processes, including applications for planning permission for refurbishment, conversion, and development projects. Our approach to planning incorporates sustainability objectives, including targeting EPC improvements, installing renewable energy systems, and enhancing biodiversity.

Asset Business Planning: For every asset in our portfolio, we prepare an annual Asset Business Plan that sets out the stewardship actions to be taken at the property during the coming year. This plan is approved by the IRC and implemented by our asset management team. The business plan includes specific ESG targets and actions, including energy efficiency improvements, data collection targets, and sustainability certifications.

Supplier Management: We exercise our rights as a major client of property management and other services firms by imposing minimum ESG standards on our supply chain through our Supplier Code of Conduct. We work with our property managers to implement our ESG requirements at the asset level and to report on ESG performance.

Living Wage: We hold the Living Wage Accreditation, demonstrating our commitment to ensuring that all individuals working on our managed properties are paid at least the real Living Wage. This accreditation covers both our direct employees and individuals working in our supply chain.



Doncaster, UK

Case Study

PITCH Green Lease Programme

PITCH, Swiss Life AM UK's open-ended fund for UK charities, has been systematically implementing green lease clauses since 2023 to improve ESG data coverage and enforce minimum sustainability standards across the portfolio. We are aiming to increase the proportion of PITCH portfolio income subject to green lease clauses, improving tenant data sharing, incentivising sustainability collaboration, and supporting GRESB reporting.

At every new lease negotiation and renewal in 2025, the PITCH fund management team sought to incorporate green lease clauses covering aspects such as:

- > data sharing obligations (energy, water, waste);
- > commitments not to worsen the EPC rating of the demise;
- > obligations to collaborate on ESG improvement initiatives.

This consistent approach at each lease event has driven steady growth in green lease coverage.

Green lease clauses are a direct expression of our rights and responsibilities as landlord, enabling us to obtain the tenant data needed to manage transition risk, enforce minimum sustainability standards, and hold occupiers accountable for shared ESG outcomes.

As at 31 December 2025, 58% of PITCH portfolio income is subject to green lease clauses, up steadily year-on-year.

Tenant data coverage for Scope 3 emissions has improved to over 90%, providing a materially stronger basis for portfolio-level carbon accounting and GRESB reporting. PITCH achieved a GRESB score of 84 in the 2025 assessment, ranking 18th out of 75 peers in its benchmark.

Principle 5

Selection & Oversight of External Managers

Third-Party Property Managers

As a core function of Swiss Life AM UK's operating model, we retain specialist third-party property managers to assist in managing real estate assets within the mandates that we manage and advise. Generally, we do not delegate responsibility to other investment managers, and only delegate to specialist investment advisors/asset managers in select cases. The assertive management of third-party property managers is fundamental to our asset management approach - having a reliable and locally based property manager on the ground is essential for ongoing property monitoring and liaising with tenant customers.

We appoint property managers on a "best-in-class" basis on market terms and monitor service delivery through property management agreements, which include service level agreements and KPIs. Performance is monitored on a recurring basis to assure high levels of service for competitive fees. Further, we also set energy consumption criteria for 'Multi-let' assets under our control, and property managers assist us in monitoring energy consumption, CO2 emissions, water use and recycling.

We ensure that all property managers regularly attend sites and liaise with tenants, and we commit to inspecting all properties internally at least twice a year. This frequency is increased substantially for 'Multi-let' properties. Visits will be considerably more frequent in the event of outstanding issues or management opportunities to add value.

Stewardship in Manager Selection & Service Level Agreements

Swiss Life AM UK's approach to the selection and oversight of its service providers, including property managers, specialist consultants, and other external service

providers, incorporates stewardship considerations at every stage.

Property managers are appointed following a competitive tendering process. Our tender documentation includes explicit requirements relating to ESG and stewardship capabilities, including:

- > experience of implementing sustainability programmes at managed properties;
- > ability to collect and report environmental data (energy, water, waste);
- > commitment to the Living Wage; and
- > alignment with our Supplier Code of Conduct.

Formal Property Management Agreements are agreed with all property managers prior to the commencement of services. These agreements outline clear and actionable performance criteria as well as service-level KPIs. Formal service agreements typically include detailed service schedules, responsibilities, fee arrangements, insurance and liability considerations, and all relevant terms relating to service expectations such as conflicts of interest, complaints procedures, dispute resolution procedures and scope of authority. We generally agree detailed service schedules relating to the following requirements:

- Property Management Services
- Financial management Services
- Service Charge Budgeting
- Asset Management
- Building Consultancy
- Landlord & Tenant Engagement
- Lettings
- Local planning

Our current property managers across the portfolio include LSH, JLL, BNP, Newmark and Workman. These firms all have established ESG and sustainability programmes that are aligned with our stewardship expectations.

5

Monitoring of our Third-Party Property Managers

We take a structured approach to monitoring their performance throughout the lifecycle of each asset.

Monitoring starts with formal reporting and communication procedures, and trickles down into more frequent and informal communication as required. We adopt an "open and often" approach to communicating with property managers to ensure that the full scope of services is monitored appropriately.

We engage property managers using a combination of formal and informal procedures to monitor each portfolio's performance on a rolling basis:

Quarterly Reporting

All property managers provide quarterly formal written management reports covering ESG performance data (energy, water, waste, occupancy), management of sustainability initiatives, and any issues or incidents at managed properties.

Annual Reviews

We conduct annual formal reviews of each property manager's performance, including a specific assessment of their ESG and stewardship performance. The outcomes of these reviews inform decisions on the continuation and scope of management appointments.

In-Person Management Meetings (quarterly & more often as required).

Physical Property Inspections and subsequent inspection reports (bi-annually or annually).

Accounting Procedures & Performance Metrics Relating to Rent & Insurance Collection (quarterly).

Service Charge Budgeting (annually).

Communication on Key Property-Level Events such as rent reviews, lease expiries, project works insurance matters (quarterly & ad hoc in between).

Issue Escalation & Complaints Resolution on matters such as local government regulation changes, tenant concerns, building maintenance requirements, unexpected events at the property (quarterly & ad hoc in between).

Engagement with our Third-Party Managers

We engage with our property managers on stewardship matters through a range of formal and informal channels:

Regular Performance Meetings

We hold regular performance review meetings with all property managers to discuss their performance against agreed KPIs, including ESG and stewardship performance. These meetings provide a forum for direct dialogue on stewardship matters and for discussing initiatives to improve the sustainability of managed assets.

ESG Strategy Reviews

Our Head of UK ESG and asset management team engage with property managers on specific ESG initiatives, including data collection, sustainability upgrades, and the implementation of Green Lease clauses.

Annual Certification

Where relevant, we encourage and support property managers to maintain relevant sustainability certifications (e.g. ISO 14001 environmental management, ISO 50001 energy management).

Escalation with our Third-Party Managers

Where performance reviews reveal material deficiencies in a property manager's stewardship performance, we take the following escalation steps:

First, we raise the issue directly with the property manager and agree a remediation plan with clear timescales. We monitor progress against the plan and provide support as needed.

If the issue is not resolved within the agreed timeframe, we escalate to the property manager's senior management and, if necessary, to the IRC. The IRC has the authority to recommend changes to property management appointments where performance is unsatisfactory.

In 2025, all property manager performance issues were resolved through direct engagement without the need for formal escalation to the IRC.

Principle 6

Monitoring Service Providers

Proxy Advisors

As a direct real estate investor with minimal indirect exposure (<1% of AUM), Swiss Life AM UK does not rely on proxy advisory services for its investment activities. Proxy voting is therefore not a material aspect of our stewardship approach.

Investment Consultants

Swiss Life AM UK does not use investment consultants in the traditional sense, as we are an investment manager rather than an asset owner. Our relationships with clients are managed directly by our client relationship and investment management teams.

External Service Providers

EVORA Global

EVORA Global is our primary external ESG and sustainability consultancy. EVORA provides a range of services to Swiss Life AM UK including: strategic ESG advisory; data management and reporting support; support for GRESB reporting; AA1000AS assurance of our ESG processes and reporting; net zero carbon pathway planning; and support for the implementation of our Green Lease programme.

We monitor the quality and effectiveness of EVORA's services through regular review meetings and formal annual performance reviews. The scope and quality of EVORA's work is closely monitored by our Head of UK ESG and the broader investment team. Where EVORA's services do not meet our expectations, we raise this directly with EVORA management and agree remediation steps.

JustOne

JustOne is our specialist Social Value consultancy, providing advisory services on the design and implementation of our UK Social Value Strategy ('Empowering Places'). JustOne supported us in the development of our needs assessment methodology and the preparation of our Social Value reports.

ACA Compliance (Europe) Limited

ACA Compliance provides a programme of quarterly compliance monitoring, which includes a review of our policies, conflicts log, and adherence to regulatory requirements. ACA's monitoring provides an independent perspective on the effectiveness of our governance and compliance frameworks, and their findings are reported to the Head of Legal & Compliance and the Executive Committee.

6

Case Study

Self-Storage Supply Chain Governance – Supplier Code of Conduct (MCSS)

As operator (via MCSS) as well as investment manager of the TST self-storage portfolio, Swiss Life AM UK has direct responsibility for managing a diverse supply chain covering IT systems, CRM platforms, building maintenance, solar installation, and other operational services.

To implement a more rigorous governance framework for supplier management across the TST portfolio, ensuring all suppliers meet Swiss Life AM UK's standards on data security, ethical sourcing, GDPR compliance, and supply chain integrity.

Under a more rigorous process introduced in 2025, all TST suppliers are now required to complete a Supplier Code of Conduct and a GDPR compliance checklist. Suppliers presenting a higher operational risk to the business, including IT, CRM, and platform operators, are subject to enhanced scrutiny, including assessment of data security protocols and system resilience. For the procurement of solar PV infrastructure, TST specifically interrogated its solar supplier on supply chain ethics accreditations, requesting confirmation of the absence of forced labour in its manufacturing chain. The supplier provided a formal audit confirming compliance.



Chesterfield, UK



Sheffield, UK

*We enable people to lead
a financially self-determined life.*