

The NZAOA Climate Targets of Sparkassen-Versicherung Sachsen Lebensversicherung AG

Content

NZAOA-Mitgliedschaft im Überblick	2
Sub-Portfolio Emissionsziel	3
Engagement.....	3
Climate Solution Investments	3

NZAOA-Mitgliedschaft im Überblick

Sparkassen-Versicherung Sachsen Lebensversicherung AG is committed to the goals of the Paris Climate Agreement, in particular to limiting global warming to 1.5°C compared to pre-industrial levels. The Net-Zero Asset Owner Alliance (NZAOA) is an investor initiative launched by the United Nations and the Principles for Responsible Investment (PRI), with the aim of reducing the greenhouse gas emissions associated with its members' investment portfolios to net zero by 2050 at the latest. Sparkassen-Versicherung Sachsen Lebensversicherung AG joined the Alliance in February 2022.

Within the scope of its possibilities, the company aims to contribute to the necessary transformation of the real economy and to provide capital for the development of sustainable infrastructure and the implementation of global sustainability goals.

To operationalise this commitment Sparkassen-Versicherung Sachsen Lebensversicherung AG has defined specific interim targets based on the NZAOAs Target-Setting Protocol – Fourth Edition (TSPV4) and the accompanying Background Document. The reduction pathways used for the emissions targets are aligned with the IPCC's C1 scenarios (AR6) and are thus consistent with a 1.5°C trajectory with no or limited overshoot.



In accordance with the requirements of the Alliance, Sparkassen-Versicherung Sachsen Lebensversicherung AG has set individual targets in three of the four target categories:

- Sub-portfolio emissions targets
- Engagement targets
- Targets for investments in climate solutions (Climate Solution Investments)

These interim targets serve as the basis for a transparent and verifiable approach to managing investment portfolios with regard to climate risks, transition developments, and regulatory expectations.

Sub-Portfolio Emissionsziel

Sparkassen Versicherung Sachsen Lebensversicherung AG has set a target to reduce the greenhouse gas emissions of its liquid investments in listed equities and corporate bonds by 40% by 2030, compared to the base year 2021. The emissions considered include Scope 1 and Scope 2 categories. The calculation of the weighted emissions intensity follows the methodology of the Partnership for Carbon Accounting Financials (PCAF) and is expressed in tonnes of CO_{2e} per million EUR invested.

For the company's directly held real estate assets, a reduction target of 40% in absolute greenhouse gas emissions (Scope 1 and 2) by 2030 compared to 2021 has been established. Emissions are measured in tonnes of CO_{2e} per annum.

In the future, a specific reduction pathway tailored to the structure of Sparkassen-Versicherung Sachsen Lebensversicherung AG's directly held real estate portfolio is to be developed using the Carbon Risk Real Estate Monitor (CRREM). This pathway will serve as a basis for strategic portfolio management and the definition of concrete decarbonisation measures.

Until a portfolio-specific pathway is in place, interim targets are aligned with scientifically recognised 1.5°C scenarios with no or limited overshoot, as defined in the NZAOA Target-Setting Protocol – Fourth Edition (TSPV4) and the IPCC's C1 pathways.

The scope of target coverage will be gradually expanded to include other asset classes as soon as suitable data and methodological standards become available.

Engagement

Sparkassen-Versicherung Sachsen Lebensversicherung AG actively embraces its responsibility as an investor by encouraging the companies in which it invests to adopt sustainable business practices. Active ownership is exercised through targeted engagement and the exercising of voting rights to influence strategic sustainability decisions. Engagement activities are coordinated within the group of public insurers to maximize impact.

To effectively exercise its role as an active investor and strengthen its impact, the group of public insurers collaborates with Deka Investment GmbH as a strategic partner.

Deka Investment GmbH follows a structured escalation approach in its engagement process. This includes active voting at general meetings, investor discussions, governance meetings with supervisory boards, and, where necessary, public statements at shareholder meetings. Deka Investment GmbH provides quarterly reports detailing all voting activities, including a comprehensive breakdown of voting actions.

Additionally, Sparkassen-Versicherung Sachsen Lebensversicherung AG maintains close and cooperative relationships with its appointed asset managers to ensure that its sustainability objectives are comprehensively integrated into the management of its investment portfolio. We expect our asset managers to systematically incorporate ESG criteria into their investment processes, carefully assessing both opportunities and risks. Through continuous, open dialogue, we regularly review the extent to which agreed-upon sustainability strategies are being upheld.

This ongoing interplay of disclosure and dialogue enables us to make timely adjustments when necessary and credibly implement our ESG principles.

Climate Solution Investments

Investments in climate solutions (Climate Solution Investments, CSI) are defined in the Target-Setting Protocol – Fourth Edition (TSPV4) as “investments in economic activities considered to contribute to climate change mitigation (including transition enabling) and/or adaptation, in alignment with existing climate-related sustainability taxonomies and other generally acknowledged climate-related frameworks.”

Pfefferminzia AG aims to pursue investments in these areas, taking into account risk, return, and liquidity considerations. Such engagements will be made progressively and depending on the availability of suitable investment opportunities.