

Stewardship Approach

We believe that responsible investing considerations, including good corporate governance and transparency towards shareholders, can be key drivers of sustainable value creation. Swiss Re Asset Management recognises the relevance of shareholder engagement in the exercise of its shareholder rights and responsibilities, and of transparent reporting of such activities to its stakeholders as an integral part of its commitment to responsible investment.

This Overview of Swiss Re Asset Management's stewardship approach (the Approach) outlines the relevant principles, including on the approach, scope and processes related to Swiss Re Asset Management's stewardship activities. The Approach thereby informs on the governing principles for shareholder votes cast on behalf of Swiss Re Asset Management.

The Approach takes into account the Shareholder Rights Directive (EU) 2017/828 (SRD II) which amends Directive (EU) 2007/36 (SRD I), promoting long-term shareholder engagement and enhancing the transparency between EU-listed companies and their investors.

1. Overall approach

- The Approach is applicable to all securities which confer voting or other participation rights that can be exercised by Swiss Re Asset Management (directly or indirectly) and/or provide an opportunity for engagement.
- We assess our governing Voting Principles periodically. We review our engagement topics on a regular basis to assure they reflect Swiss Re Asset Management's ambitions as a responsible and long-term investor.
- In the case of internally managed portfolios, we make use of our influence as a responsible investor by exercising voting or other participation rights, as well as engaging on topics through Swiss Re appointed board representation where applicable.
- For externally managed portfolios, we work with the relevant external investment managers to execute our proxy votes and related engagement activities in accordance with the Approach.

2. Engagement practice

Scope:

- Swiss Re Asset Management encourages engagement on relevant matters, such as strategy, financial performance and risk, as well as non-financial considerations, and capital structure. We specifically aim to exchange on methodologies, standards, and reporting metrics related to responsible investing and advocate for emphasis on sustainability considerations in financial analysis.
- Swiss Re is committed to reach net zero GHG emissions by 2050, and subsequently set targets aligned with the Paris Agreement, the Swiss Climate and Innovation Act as well as Switzerland's broader climate goals. Swiss Re considers engagement with the real economy an integral part of its contribution to climate change mitigation.

Process:

- Swiss Re Asset Management participates in exchanges on best practices, improvement opportunities and innovation in the implementation of responsible investing and policy issues with relevant stakeholders.¹
- Swiss Re Asset Management seeks information on relevant matters and opportunities for improvement as applicable with investee companies through the review of available information as well as direct meetings with investee companies and/or its external investment managers.
- The Asset Class teams regularly engage with the external investment managers to discuss relevant engagement activities related to assets held on behalf of Swiss Re Asset Management.

Reporting:

- Engagement summary reports are made publicly available on an annual basis through Swiss Re's annual report and/or dedicated reporting where appropriate.

3. Voting practice

Scope:

- When exercising voting rights, Swiss Re Asset Management votes in line with local and regulatory requirements with care, skill and diligence
- Voting rights are executed to the extent that practical considerations such as costs, administrative work or ability to influence voting decision (e.g. no voting on securities held in a fund) allow.

Process:

- Swiss Re Asset Management performs diligent selection, adequate instruction and monitoring of third-party providers, such as external investment managers or proxy advisors, aiming to ensure executed votes are cast in a manner consistent with our interests.
- Swiss Re Asset Management reviews the alignment of the voting policies of external investment managers to confirm compliance with our ambition to be a responsible long-term investor periodically.

Reporting:

- External investment managers are required to report on proxy votes cast on behalf of Swiss Re Asset Management on a quarterly basis.
- Voting results are annually reported to the Swiss Re Asset Management Investment Committee chaired by the Group Chief Investment Officer.
- Swiss Re voting statistics are annually published through Swiss Re's annual report and/or dedicated reporting where appropriate.

4. Voting Principles

- The Voting Principles captured in the Approach guide proxy voting decisions on topics that are of particular importance to Swiss Re Asset Management.
- The Voting Principles help to ensure that voting on key topics is consistent with long-term shareholder value creation.

¹ Stakeholders refers, as appropriate, to stakeholders of Swiss Re or stakeholders of investee companies.

- The Voting Principles serve as a reference for securities directly managed by Swiss Re Asset Management and for those managed by external investment managers.
- Summary of topics covered by our Voting Principles:
 - Board of Directors (BoD) considerations, consisting of Board Composition, Chairman's role, Audit Committee, Compensation Committee and other Committees, specifying how our voting aims to support a BoD that provides effective stewardship and acts in the best long-term interests of all shareholders.
 - Compensation considerations, consisting of Executive Compensation (MSOP) and Non-Executive/Board Compensation, outlining how our voting supports compensation schemes that incentivise long-term sustainable performance
 - Capital considerations, setting out our stance on capital increases (through public offerings or private placements) or decreases (through share repurchases) and M&A activities
 - Principles relating to sustainability, providing support for investee companies aligning their corporate governance with long term considerations and transparency, in particular through enhanced disclosure and reporting
 - Shareholder Rights considerations, establishing broad principles for safeguarding shareholder rights and shareholders' say as part of good corporate governance
 - Standard Items, including expectations for timely publication and quality of audit-, annual reports and/or financial statements

5. Conflicts of interest

- An actual, potential or perceived conflict of interest may arise where Swiss Re Group invests in a company with which we are also engaged in a business relationship, or where we hold different positions in a company's capital structure. Swiss Re Group aims to reduce such conflicts by applying Swiss Re Group's Global standard on Conflicts of Interest.
- Swiss Re Group is committed to ensuring transparency regarding its management of conflicts. Swiss Re Group expects that its external investment managers and proxy advisors (i) comply with all applicable laws, rules, regulations and guidelines and (ii) comply with procedures and maintain a prohibition on non-compliance with statutory or regulatory exemptions, relating to the management of conflicts of interest.
- Conflict of interest situations in the context of the exercise of voting rights will be reported to the relevant Legal & Compliance Officer.

6. Further information about our responsible investing approach

- Stewardship is embedded into Swiss Re Asset Management's overall approach to responsible investing. Please refer to our [Responsible Investing homepage](#) as well as [Swiss Re's Sustainability Report](#) for further details.