



# **Swiss Life Asset Managers Engagement Policy**

**March 2020**

## Engagement Policy

**Engagement with various stakeholders is an integral part of Swiss Life Asset Managers' Responsible Investment Approach.**

Swiss Life Asset Managers considers engagement as an integral part of its Responsible Investment Approach<sup>1</sup>, based on the active stewardship principle. It exercises its ownership rights as part of its fiduciary duty, i.e. the prudent and responsible management of the entrusted assets. We actively seek to work with companies and relevant stakeholders to address environmental, social and governance challenges while safeguarding the financial interests of our clients. This encompasses proxy voting, active governance, community and third-party dialogue and collaborative enhancements.

The following principles guide our engagement activities:

- Engagement activities aim at securing and enhancing the safety and the long-term value of the investments. These activities are generally considered as being more effective in safeguarding or creating value than exclusion-only strategies.
- We further support activities to enhance shareholder rights, foster transparency, contribute to reduce the impact of climate change and improve the general sustainability performance as long as the financial interests of the clients and investors in our products are safeguarded.
- Participation in collaborative external platforms strengthens our engagement capacity.
- Engagement activities shall not entail undue costs, neither direct costs nor asset depreciation.
- We follow the recommendations of best practice codes such as the Stewardship Code of the International Corporate Governance Network ICGN or the Principles for Responsible Investment of the PRI Association.

Periodically, we publicly report on our engagement activities in appropriate formats, e.g. on our website or in specific reports.

## Governance

The Responsible Investment Management Team coordinates the engagement activities. It may refer specific topics to the ESG Board, chaired by the Head of ESG.

External providers are involved for services such as research, mere execution of certain engagement activities or as providers of collaborative platforms with which we connect.

Engagement topics are primarily selected based upon materiality, i.e. issues that are likely to significantly affect an asset's long-term value. Such matters may include but are not limited to the governance, the business strategy, reporting and transparency issues or sustainability topics that are deemed likely to create or to increase financial risks, e.g. climate change. We regularly screen ESG aspects of the assets through our own research and business analysis and the services of research providers.

Swiss Life Asset Managers has established procedures to minimize conflicts of interests.

---

<sup>1</sup> See separate document published on [www.swisslife-am.com/responsible-investment](http://www.swisslife-am.com/responsible-investment).

## Proxy voting (listed companies)

Proxy voting is one of the most prominent engagement strategies to safeguard shareholders' interests and the value of the invested assets. Therefore, Swiss Life Asset Managers relies on proxy voting as a primary engagement method.

The companies for proxy voting are selected on quantitative or qualitative considerations, such as the investment size, the materiality of specific engagement topics or additional considerations. While we generally vote with companies globally, the scope may be restricted to local or regional subsets for legal reasons or for efficiency purposes.

For exercising voting rights, Swiss Life Asset Managers uses the analyses and services of "Institutional Investor Services (ISS)" and of other external providers. Agenda items related to environmental and social topics are assessed by the Responsible Investment Management Team who issues recommendations to the respective Swiss Life Asset Managers entity entitled to vote.

Since we focus on a quantitative management and replication strategies for listed equities, we have limited dialogue with issuers, other shareholders and stakeholders. However, we may dialogue with listed companies if we deem it necessary to do so in order to protect the interests of our clients or investors in our products.

## Engagement (real estate and infrastructure)

For investments in non-listed companies, Swiss Life Asset Managers ensures that the processes, the scope and the content of the engagement is appropriate to the investment level. This may include full management of the company, exercise of direct governance rights, such as through board representation, direct dialogue with key decision makers such as company managers or directors, or cooperation with other shareholders and key stakeholders such as joint venture partners.

We also engage with stakeholders such as tenants, suppliers, service providers (e.g. facility managers) and communities of specific projects.

## Collective platforms and associations

Swiss Life Asset Managers joins collective platforms or signs up for memberships, e.g. in industry associations, in order to support activities such as developing and fostering best practice and promoting industry standards. Our engagement may include board memberships, providing resources, contributing to education and other means that appear appropriate to support the platform's goals.