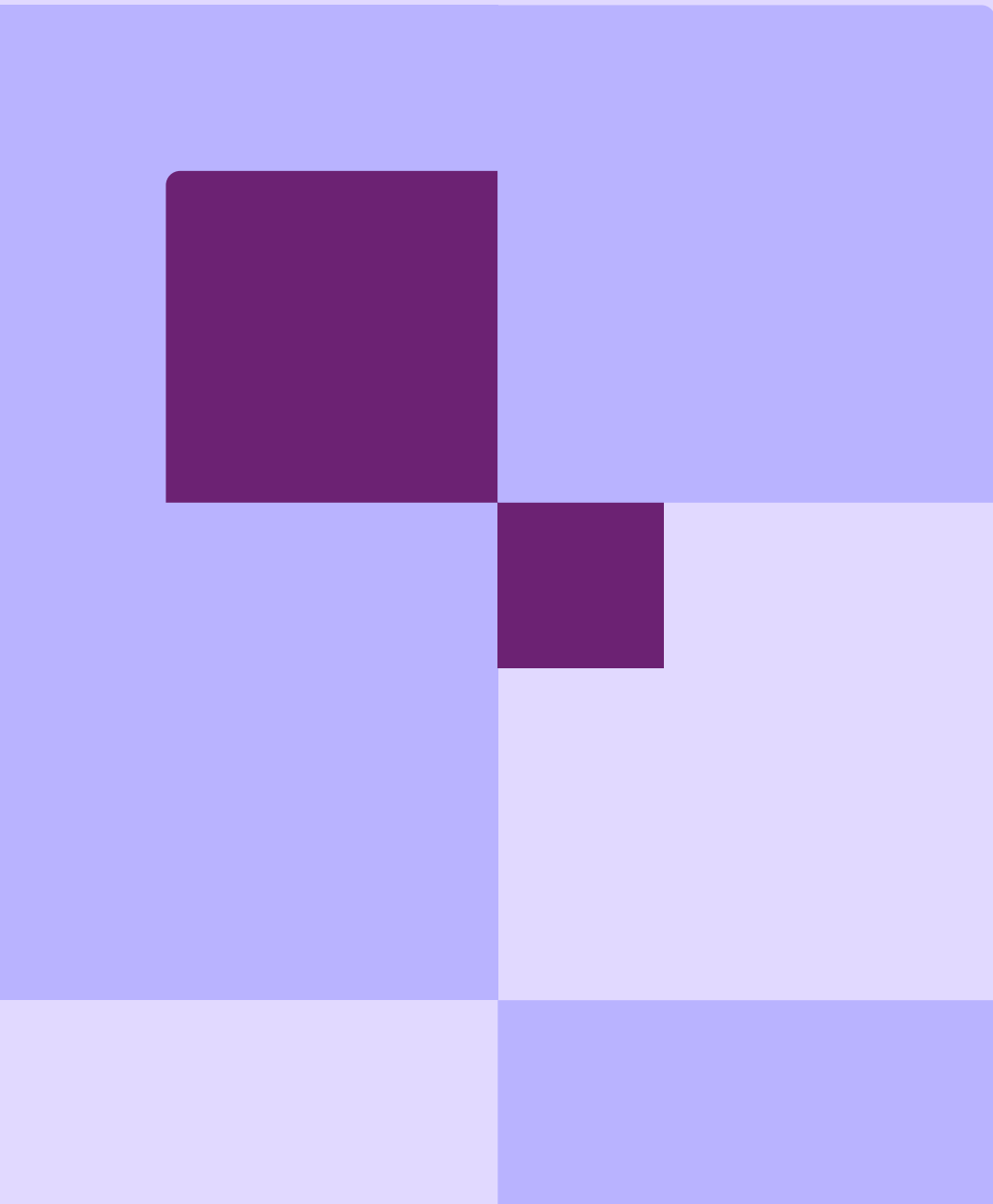


Baloise Active Ownership Review 2022

Marketing document

Quarter 4/2023



Our mission

Responsible Investing is an important principle at Baloise. As part of our Responsible Investment strategy, we define how we take environmental, social and governance (ESG) criteria into account in the investment process in order to positively influence the risk-return profile and reduce sustainability risks that could have a material impact.

Baloise's Active Ownership strategy is an integral part of our Responsible Investment strategy. With the help of the assets entrusted to us and the resulting bundled financial power, we encourage the management of the respective portfolio companies, for example, to address ESG risks and that they can take advantage of opportunities in the dialogues.

Our Active Ownership strategy covers the entire equity and bond portfolio of our insurance clients and some of our third-party clients. In the case of Proxy Voting, we currently only exercise our voting rights for specific equity investments in the Swiss insurance portfolio.

As part of our Active Ownership strategy, we have decided on key topics. The following topics support us in setting our agenda: energy transition, reduction of CO₂-emissions, biodiversity, improvements of working conditions, diversity and board of Directors and Executive Committee.

Our Active Ownership Strategy and the entire Responsible Investment Strategy are based on the Principles for Responsible Investment (PRI) initiative.

Baloise Active Ownership Strategy

With our Active Ownership strategy introduced in 2021, we have used our financial strength to enter into a collaborative dialogue with the companies in which we are invested. Active Ownership was also fully integrated into our Responsible Investment Strategy in 2022 and relates to the following three pillars:

1. **Collaborative Engagement:** Refers to direct dialogue with companies in collaboration with other investors. The dialogues are organised via platforms or stakeholder associations depending on the urgency of the respective topic.
2. **Public Policy Engagement:** Refers to the dialogue with public authorities on ESG issues for specific regulatory projects. This dialogue takes place via memberships in individual associations.
3. **Proxy Voting:** Refers to the exercise of voting rights at the annual general meetings of companies. The investor exercises his voting rights on various proposals on the agenda.

Baloise Active Ownership Strategy in 2022



Collaborative Engagement

Collaborative engagement is a pillar of the Active Ownership strategy. In this context, initiatives have been taken to address ESG issues that are supported by Baloise. In addition to the ongoing collaborations in which we are involved, we participated in other initiatives together with other shareholders from various organizations in the 2022 financial year. Our initiatives are described below.

Advance

In the first quarter of 2022, we supported the **Advance** Stewardship Initiative of the Principles for Responsible Investment (PRI) Initiative, which is committed to human rights and social issues. Investors can join the initiative as endorsers by publicly signing the **Advance** Investor Statement, signaling their support for **Advance's** goals and strategy. The statement sets out investors' arguments in favor of promoting human rights, the strategy for achieving progress and expectations of the companies involved in the initiative.

Declaration for greater alignment of regulatory and standardisation efforts in the area of sustainability disclosure

In addition, we have supported the initiative of the PRI, the World Business Council for Sustainable Development and the International Federation of Accountants calling for greater alignment of regulatory and standardisation efforts in the area of sustainability reporting. This statement supports the PRI's commitment to ensuring that investors benefit from the simplicity and harmonisation of corporate sustainability reporting.

Climate Action 100+

Baloise is a signatory to the Climate Action 100+ initiative and as such is responsible for direct contact with the companies in focus, either individually and/or in collaboration. Climate Action 100+ is an initiative that aims to engage with the world's largest greenhouse gas emitters to ensure that they take the necessary action on climate change. The focus of Climate Action 100+ engagement

in 2022 was on 51 companies in Baloise's actively managed equity portfolio and 52 companies in its bond portfolio. Further information on Climate Action 100+ and the initiatives can be found on the website.

PRI comments on SEC publication of draft proposal for climate-related disclosure

In the first quarter of 2022, we signed an engagement letter launched by PRI as a comment on the Securities and Exchange Commission's (SEC) proposal to introduce rules to improve and standardise climate-related disclosure for investors. The engagement letter sets out the minimum elements that should be included in climate information to help investors make the most informed decisions possible. The letter requires, among other things, that the disclosure is based on the TCFD, uses sector-specific metrics and contains information on GHG emissions in scopes 1, 2 and 3.

Public Policy Engagement

Representatives of the Responsible Investment Core Team have participated in various working groups that provide feedback on regulatory proposals from the State Secretariat for International Financial Matters (SIF) or other departments, for example. They were also part of the joint working group of the Asset Management Association Switzerland (AMAS) and Swiss Sustainable Finance (SSF) to develop the "Self-regulation on transparency and disclosure for sustainability-related collective investments", which is binding for all AMAS members.

Proxy Voting

Proxy Voting is the third pillar of our Active Ownership strategy. We exercised the voting rights of listed Swiss share certificates in the actively managed Swiss insurance portfolio in accordance with the principles of good and ethical corporate governance.

The following table summarizes the exercise of voting rights in the 2022 financial year and provides a breakdown of votes for various categories of topics.

Overview of the exercise of voting rights in 2022

This overview relates to all topics on the agenda.

Exercise of voting rights	Baloise Life Ltd and Baloise Insurance Ltd
Approval of items on the agenda	472
Rejection of agenda items	42
Abstentions	0
Number of voting points	514
Number of companies	24

Agenda	Consent	Rejections	Abstentions
Approval of all motions of the ordinary and extraordinary General Meeting	16	9	0
Annual report and financial report	24	0	0
Discharge	23	1	0
Profits, dividend	24	0	0
Election of a member of the Board of Directors	190	8	0
Election of the Chairman of the Board of Directors	23	0	0
Election of a member of the Remuneration Committee	80	4	0
Increase in share capital	1	0	0
Capital reduction	3	1	0
Remuneration report	17	7	0
Election of the auditors	22	2	0
Election of the independent proxy	22	2	0
Further votes	27	8	0

Outlook

In January 2023, we implemented the extended Responsible Investment Strategy with Active Ownership as an integral component. In the area of Active Ownership, we introduced Direct Company Engagement as an additional pillar that enables Baloise to further expand its engagement activities. We launched our first Direct Company Dialogues in 2023, which helped us to engage in a constructive dialogue with companies to address specific issues and plan an improvement process. We will report on these activities in our next Active Ownership Review 2023.