



Responsible investment policy

Our motivation

Baloise is an insurance company which arose from the idea of a supportive community. We have always been aware of how important it is to take responsibility and put our actions at the service of sustainable development. Baloise Asset Management – the asset manager of the Baloise Group – integrates into the overall strategy and assumes responsibility in the area of investment strategy for investing the insurance assets of the Baloise Group. The principles of responsible investment are also applied to products for third-party customers, such as investment products for pension funds.

For Baloise, sustainable development and the insurance and financial services business have significant similarities: long-term activities and responsible handling of risks and resources. Baloise therefore wishes to secure its own business operations and thus its employees' jobs in the long term, and actively shape social transformation as a corporate citizen.

In order to effect the biggest possible impact on social transformation as a corporate citizen, both Baloise's value-added approach as well as the UN Sustainable Development Goals are applied as a framework for the implementation of goals and measures. Within this framework, Baloise Asset Management primarily focuses on climate action and thus on Sustainable Development Goal No. 13 (combating climate change) when it comes to the responsible investment of insurance assets and the self-managed products for third-party customers.

We are confident that the integration of environmental, social and governance (ESG) risks in our investment process will have a positive effect on the return risk profile, and that we will be able to reduce ESG risks that have a financial impact. As a result, we consider this integration to be an additional risk management tool.

Our understanding of responsible investment

We understand responsible investment as the inclusion of ESG factors in investment decisions.

We strive to strengthen our commitment to our stakeholders. Therefore, we became a signatory of the Principles for Responsible Investment (PRI) in 2018, and became a member of Swiss Sustainable Finance in 2019.

Our responsible investment policy consists of three strategic pillars, as illustrated in the graph. We exclude companies on the basis of their business activities in the field of controversial weapons and their involvement in the coal sector (where this accounts for at least 30 per cent of their entire turnover). We also incorporate sustainability factors in our investment analysis, whereby companies must have at least a B rating (according to the data from the MSCI) to be included in the investment universe. We exercise our statutory voting rights too.

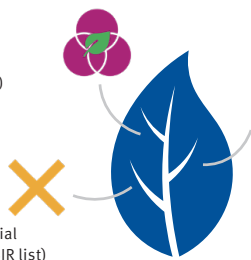
The three strategic pillars of the responsible investment policy

ESG Integration

Securities with an ESG rating lower than B (according to MSCI data) are not part of the investment universe.

Exclusion

Producers of controversial weapons (incl. SVVK-ASIR list) and coal producers ($\geq 30\%$ of revenue) are excluded.



Proxy Voting

We assume our responsibility as shareholders and exercise our voting rights on Swiss shares.

Our guiding principles for responsible investment

- Responsible investment requires collective measures. As of 2018, we are a signatory of the six principles of the Principles of Responsible Investment (PRI).
- A long-term, holistic investment horizon is essential in investment analysis for a positive risk/return profile. We therefore integrate ESG factors in the investment process.
- We regularly review completed investments to ensure that all our various insurance units comply with the responsible investment policy.
- We take our voting rights seriously. As a responsible shareholder, we exercise our statutory voting rights for Swiss stocks by following the principles of good and ethical corporate governance.
- We report on our activities in a transparent and proactive manner.

Our responsible investment governance

We have adjusted our governance structure based on responsible investment and the associated integration of ESG criteria in our investment decision-making process as well as the necessary monitoring of our responsible investment guidelines. Our newly established Responsible Investment Committee (RIC) is in charge of developing the responsible investment strategy and monitoring the investment policy.

We take responsibility seriously

We wish to take our responsibility in the Swiss market for responsible investments seriously and actively contribute towards further developments. We have therefore joined working groups for responsible investment by the Swiss Insurance Association (SIA), the Swiss Funds & Asset Management Association (SFAMA) and Swiss Sustainable Finance (SSF).

Scope of application of the responsible investment policy

This responsible investment policy applies to the investment of internal insurance assets and to the products for third-party customers managed by Baloise Asset Management itself.

Contact

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