

# Guiding principles for engagement

Swisscanto Invest by Zürcher Kantonalbank | October 2019

When acting on our **duty to safeguard and represent the interests**<sup>1</sup> of our investors, we assume responsibility **for actively exercising voting rights** in accordance with our own voting guidelines which are based on recognised international and Swiss standards.<sup>2</sup>

We fulfil our responsibility towards the invested companies (issuers) by means of **dialogue (engagement)**. Our Asset Management holds these engagement meetings as part of their activities; the aim is to foster good corporate governance based on recognised principles (best practice corporate governance) in the listed companies.

These extensive activities enable us to safeguard the interests of our investors to the best of our ability.

We adhere to the following **guiding principles** with respect to **engagement**:

1. Investment and voting policies are an integral part of engagement and contribute to achieving sustainable improvement in shareholder value, promoting best practice corporate governance and supporting economically sound ESG<sup>3</sup> themes.
2. The purpose of engagement is to provide issuers with well in advance information about our prospective voting behaviour as well as flag any potential problems within the scope of our voting policy.
3. Above all, we hold engagement meetings with issuers where there is a tangible and enduring conflict of interest for our investors.
4. Our voting policy and concrete voting behaviour are not subject to negotiations. When implementing our investment and voting policy<sup>4</sup>, we adhere to clear guidelines. These are available on our home page.
5. The aim of the engagement is to hold constructive dialogues with the issuers and to establish active communication.
6. The primary aim of engagement is to enable shareholders to make timely and fair decisions well in advance of annual general meetings. Our decisions comply with recognised standards and guidelines and are not influenced by third parties.
7. Engagement activities and voting behaviour are both documented. Our voting behaviour is published on our home page<sup>5</sup>. We are happy to provide information about our engagement activities upon request.

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<sup>1</sup> Fiduciary duty according to Art. 20 para. 1a CISA in conjunction with Art. 23 para. 1 CISA.

<sup>2</sup> Swiss Code of Best Practice for Corporate Governance / FRC – The UK Corporate Code.

<sup>3</sup> Environmental, social and governance.

<sup>4</sup> Available at [swisscanto.com/voting](https://www.swisscanto.com/voting).

<sup>5</sup> See footnote 4.

During the off-season to annual general meetings, companies can email our Asset Management at the following address to request a meeting, in case if this relates to "engagement": **engagement@swisscanto.ch**.

For further information on our voting policy and behaviour, please email us at the following address: **voting@swisscanto.ch**.

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