



Engagement Policy of Sava Re d.d.

About this document	
Title	Engagement Policy of Sava Re d.d.
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Subject	the policy defines the main principles and procedures for engagement with the issuer, voting at general meetings and other forms of exercising rights relating to financial instruments entered in the registers of assets covering reinsurance liabilities with those of the life insurance business, as defined in the legislative act governing the insurance sector
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On the basis of Article 2 of the Rules of Procedure of the Management Board of Sava Re d.d., the Sava Re management board adopted the following document at its session no. 31, held on 26 June 2024:

Engagement Policy of Sava Re d.d.

This document refers to the parent company Sava Re d.d. (hereinafter: the Company or Sava Re).

1 Preliminary provisions

Sava Re has drafted the Engagement Policy of Sava Re d.d. (hereinafter: the policy) in accordance with the Slovenian Companies Act (Official Gazette of the Republic of Slovenia, No. 65/09, as amended, hereinafter: ZGD-1) and the priorities of the Sustainability Investment Policy of the Sava Insurance Group (hereinafter: the Group's sustainability investment policy) to ensure greater transparency of its investment strategies and to more effectively achieve the objectives and priorities set out in the Group's sustainability investment policy.

The policy defines the main principles and procedures for engagement with the issuer, voting at general meetings and other forms of exercising rights relating to investments without strategic investments of the Company. These are equities and investment funds entered in the registers of assets covering reinsurance liabilities with those of the life insurance business, as defined in the legislative act governing the insurance sector. In case of Sava Re, d.d. this applies to non-life portfolio without own funds.

2 Active ownership

2.1 Integration of shareholder engagement into investment strategies

As part of the investment process, the Company seeks to influence the corporate governance of the portfolio companies where it is able to do so by virtue of the rights attached to the holding and the size of the holding position. This ensures that better policies and business practices are adopted, thereby improving the operations of the portfolio companies.

The modalities of engagement are described under points 2.3 and 2.4 of this policy.

2.2 Monitoring of issuers of financial instruments

The primary objective of investment management is to ensure that the Company has sufficient assets of an appropriate type, maturity and liquidity to meet its reinsurance liabilities, which include life (re)insurance liabilities, at all times.

This approach requires both a regular analysis of the structure of liabilities and investments in a way that defines the structure of each register of assets by investment class. Investment decisions on individual financial instruments are based on expert knowledge and results from external and internal analysis.

Regular monitoring of macroeconomic factors and business reports, corporate campaigns, and regulatory and other public announcements by issuers is an integral part of the analytical process of

Sava Re's professional staff. Monitoring is carried out on an ongoing basis via the issuers' official websites, financial information systems or the relevant media. For certain major investments, or where financial and operational capacity so allows, monitoring may also take the form of meetings with issuers or attendance at investor and analyst events.

Sava Re takes into account quantitative and qualitative factors when selecting investments, including not only financial factors but also the sustainability considerations of investments (environmental, social and governance aspects), which are integrated into the decision-making process. It also assesses compliance with the investment exclusion list and the impact of sustainability risks on the future operations of companies or the economic activity of countries.

2.3 Dialogue with issuers of financial instruments

Sava Re maintains a dialogue with the issuers of financial instruments included in registers of assets by participating in consultations, conferences, investor days and other expert meetings organised by issuers, stock exchanges or other institutions. Meetings with issuer representatives provide an opportunity to gain an in-depth understanding of the issuer's business, including financial performance, reporting and disclosure, and sustainability and other aspects of the business that may pose a risk to holders of financial instruments. They also allow for additional explanations and information to be obtained in the event of irregularities or adverse trends, and for feedback to be provided to issuers on those aspects of business management that are of particular importance to Sava Re (e.g. the implementation of the Group's sustainability investment policy).

2.4 Exercise of voting rights attached to ownership of financial instruments

Sava Re keeps track of notices of general meetings through public announcements. On the basis of these notices, proposals for attendance or non-attendance at the general meeting are made and approved by the Company's management board. If a decision is taken to attend the general meeting, instructions for attending the general meeting are drawn up and approved at the management board sessions. In exceptional cases, decisions may also be taken outside such management board sessions.

Sava Re may also exercise its participation in the general meeting by proxy.

Sava Re engages in dialogue with issuers of financial instruments when it expects that such dialogue may lead to an increase in value, taking into account the significance of its own ownership interest in the issuer and its accessibility.

The Company follows the assessment made on the possibility of influencing the undertaking and participates in the general meetings according to the following criteria:

- if the general meeting is held in the Republic of Slovenia and/or
- if the exposure of the Company to the equity of the company whose general meeting the participant is attending exceeds 1% of the total equity of that company.

Notwithstanding the provisions of the preceding paragraph, the Company may decide whether or not to participate in the general meeting based on a case-by-case assessment of the expected benefits to policyholders and other conditions (inability to change the outcome of the vote, disproportionate costs in relation to the expected benefits, lack of specific benefits for investors, etc.).

2.5 Collaboration with other holders of financial instruments

Collaboration with other investors may take the form of exchanging views on and analysing the issuer, forming purchasing and sales consortia, participating in general meetings or engaging in joint dialogue with the issuer. Collaboration with other investors is particularly useful in cases where Sava Re's investment represents a small share in the ownership structure of the issuer's financial instrument and where cooperation with other investors contributes to the business performance or voting at general meetings in a way that maximises the benefit for the Company. Participation in the voting is carried out in such a way as to respect the principles of avoiding conflicts of interest and concerted action, as set out in the applicable legislation (Slovenian Takeovers Act).

3 Disclosures on voting at general meetings

Sava Re publishes on its website once a year a report on the implementation of this policy, including disclosure of voting at individual general meetings or other events relating to the exercise of rights attached to the ownership of financial instruments.

Sava Re will not disclose those voting results that it deems irrelevant. Irrelevant voting results are those where:

- the value of the investment is insignificant in relation to the size of the register,
- the Company votes on matters that it does not consider to have a significant long-term impact on the issuer's operations, or
- the Company has an insignificant ownership interest.

The records are kept for five years after the end of the year in which the general meeting was held. The administrator of relevant documents is the financial operations and asset management business centre.

4 Management of conflicts of interest

Sava Re has established a system for identifying, preventing and managing conflicts of interest through its conflict of interest management rules.

5 Adoption of the policy

The policy is adopted by the Company's management board.

6 Transitional and final provisions

The management board takes all necessary measures to enable the implementation of this engagement policy.

The engagement policy enters into force and applies upon approval by the Company's management board.

The policy is published on the Company's website.

The Company makes annual disclosures for the previous year, which are available on its website for at least three years from the date of publication.

The administrator of this document is the financial operations and asset management business centre.

Ljubljana, 26 June 2024

The Management Board of Sava Re d.d.

Marko Jazbec, Chairman

David Benedek, Member

Polona Pirš Zupančič, Member

Peter Skvarča, Member