

Allianz Global Investors Stewardship Statement

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Background

Active stewardship is a key element of our commitment at Allianz Global Investors to shape pathways towards a sustainable future. As an active investment manager, we believe that constructive engagement dialogue with investee companies is essential. Moreover, the exercising of shareholder voting rights is a fiduciary responsibility to our clients and a core part of our role in driving positive change for some of the most important issues affecting the long-term development of investee companies.

This statement sets out our engagement policy and stewardship approach, including the steps we take to meet regulatory obligations and the principles of certain Stewardship Codes and codes of best practices that apply in the jurisdictions in which we operate.¹ AllianzGI offers a diversified range of active investment strategies across four main pillars: equities, fixed income, multi asset and private markets.

Allianz Global Investors refers to the global investment management business, which operates under the marketing name Allianz Global Investors (AllianzGI) through affiliated entities. AllianzGI is an active investment manager serving institutional and retail clients around the world. The business is diversified across equity, fixed-income, multi-asset and alternative strategies and diversified by region.

AllianzGI has a strong investment culture based on bottom-up, fundamental research. We invest for the long term across a range of different investment strategies, and pay close attention to growth prospects, return on capital, good governance, market positioning and quality of franchises. Furthermore, we believe that material environmental and social considerations are crucial to the success of a company looking for long-term outperformance.

Consistent with our investment philosophy and approach, we routinely engage in dialogue with investee companies and seek to proactively present a viewpoint, seek change where necessary, and monitor the results of our engagement. Our investment views are influenced by the outcomes of these engagements and are linked to the proxy voting process, forming a consistent stewardship approach.

1) Allianz Global Investors became a signatory to the UK Stewardship Code in 2022, while in Germany, we commit to fulfilling the DVFA Stewardship Guidelines.

Principles

Discharging our stewardship responsibilities

AllianzGI's stewardship activities include monitoring and engaging companies on a broad range of issues, including, but not limited to strategy, performance, capital management, corporate governance and shareholder rights, risk management, operational issues, audit and accounting, management remuneration and incentives, environmental, social and business conduct issues, transparency and disclosure.

AllianzGI sees the value of engagement to be in sharing our knowledge, views and perspectives with boards and management of investee companies with the aim of helping to improve performance and to better assure their long-term business prospects, ultimately in the interest of our clients. We also find that exposure to a broader range of stakeholders at investee companies, particularly non-executive board members, enhances our understanding of the business, its strategy and value drivers, as well as our knowledge of the governance, culture and sustainability approach of the companies we invest in, which enriches our investment analysis. Critically, it helps to assess quality of leadership and oversight, and to build confidence and trust in the board and management.

In addition to direct company engagements, we undertake targeted thematic engagements, public policy engagements and participate in collaborative engagement initiatives aimed at improving corporate practices and disclosure of information at an industry or market level.

Active investment strategies benefit from the exercising of voting rights. AllianzGI sees proxy voting as a core part of our investment and stewardship processes and our fiduciary duty in managing our clients' assets. We have robust policies for major corporate governance and proxy voting matters and put substantial effort into developing and debating our views and positions. Our proxy voting decision-making process involves close collaboration between portfolio managers and our Sustainability Research and Stewardship team. Our engagement activities inform proxy voting, while corporate governance analysis undertaken for proxy voting purposes feeds into investment research. AllianzGI's integrated approach to stewardship is enabled by our investment philosophy, the structure of our investment platform, and our global collaboration system, as follows:

1. We are an active manager running a large number of long-term fundamental strategies. This creates a substantial pool of portfolio managers who are willing to engage with investee companies to help improve performance or mitigate risk. Portfolio managers also participate in and contribute to public policy engagements, where intervention is considered in the best interests of our clients.
2. Our investment platform comprises more than 600 investment professionals who collaborate to identify opportunities across major asset classes and geographies and facilitate understanding of the issues and trends that affect companies, industries and markets.
3. AllianzGI has specialist Sustainability Research and Stewardship teams managing thematic research and engagement strategy and developing a thematic approach structured across three strategic themes that we believe are critical: climate change, planetary boundaries and inclusive capitalism. The fundamental role of these teams is to share their expertise in the consideration of ESG factors to identify risks and opportunities that have not been fully priced in by the markets, thus supporting enhanced stock selection for the benefit of the investment decision makers. The Stewardship team leads AllianzGI's engagement and proxy voting activities globally. It facilitates our engagement efforts and often leads engagements on corporate governance, environmental, social and business conduct matters. Furthermore, the Stewardship team contributes to public policy engagements and collective engagement in multi-stakeholder initiatives.
4. AllianzGI's global collaboration system ensures that all sector research and issuer analysis, third-party and proprietary sustainability research, engagement notes and other outputs are readily available to investment staff. This enables all fund managers and analysts across the company to review and discuss internal research and comments when making investment recommendations or selecting issuers for portfolios. It also facilitates real-time communication for investment professionals, helping us to run an effective proxy voting process, provide and collect feedback on company engagements and share engagement outcomes.

Managing conflicts of interest in relation to stewardship

As a fiduciary to our clients, AllianzGI has a duty to act in our clients' long-term best interests, and to never put itself in a position where its own interests conflict with its duty to its clients, or where its duty to one client results in an irreconcilable conflict with its duty to other clients. AllianzGI has a regulatory duty to manage conflicts of interests fairly, both between itself and its clients and between different clients. Stewardship of our clients' assets requires diligence in monitoring and identifying potential conflicts of interest, whether they are internal or external in nature.

To ensure proper stewardship in our clients' best interests, AllianzGI has implemented Global Corporate Governance Guidelines ([Documents: allianzgi.com](https://www.allianzgi.com)), policies and procedures, and employee training designed to prevent perceived or actual conflicts of interest from constituting or giving rise to a material risk of damage to the interests of our clients. We have identified the following major potential conflicts of interest with respect to our stewardship activities:

1. AllianzGI is owned by Allianz SE, a global insurance and financial group whose interests and views on particular matters may not always align with those AllianzGI considers best for our clients. To address the potential conflicts that could arise based on our relationship with our parent company, AllianzGI has imposed strict controls and information barriers designed to insulate our decision-making process from improper influence and to ensure that we are able to carry out our investment decisions and stewardship activities in a manner consistent with the interests of our clients.
2. The core business of AllianzGI is investment management - managing money and assets for our clients. Where a clients' fund holds securities in a sponsor company, ie a company that provides assets to be managed by AllianzGI, a perceived conflict of interest

may arise if we exercised the proxy vote or engaged in topics on behalf of our client which may impact our own commercial interests or arrangements. This potential conflict will be mitigated by ceding the ultimate decision making on how and whether to engage with issuers or vote proxies to our investment platform which is intentionally insulated from our other business functions to ensure that such decisions are based solely on the interests of our clients.

3. AllianzGI may from time to time have clients that advocate a voting position with respect to a proxy vote on a company that we view to be inconsistent with the long-term best interests of other clients. To this end, AllianzGI has created a clear separation between the proxy voting and the client relationship functions.
4. We may invest in a company that is also a significant distributor of our products.

Other potential conflicts of interest include:

- An investee company that is also a client
- An investee company where a director, officer or employee of AllianzGI is also a director of that company

We have a dedicated governance structure and a set of policies and processes for managing conflicts of interest in proxy voting and engagement in place an overview of which is provided below.

Governance

AllianzGI is managed and overseen by the Executive Committee (ExCo). With respect to all investment matters, the responsibility for ensuring our approach is designed to meet our obligations to our clients rests with the Investment Executive Committee (IEC), comprised of the firm's senior investment leadership. The Compliance and

Risk Management functions provide further governance oversight by regularly evaluating our processes and reviewing decisions to ensure that we have taken appropriate actions.

The structure and business of AllianzGI are further described at <https://www.allianzgi.com/en/our-firm>

Regulatory framework and conflicts of interest policy

Our policies and procedures governing conflicts of interest are designed to ensure that our conduct is in line with all applicable regulatory requirements. The legal entities that together form AllianzGI are registered with and supervised by the relevant regulatory authorities in jurisdictions in which we operate around the world. Our dedicated governance structure and policies and processes for managing conflicts of interest in proxy voting and engagement comprise the following elements:

Global oversight - AllianzGI has established a Global Proxy Voting Committee to provide oversight of the proxy voting process. The Committee reviews and discusses any proxy voting issues that may raise material conflicts of interest between AllianzGI and its clients. It approves proxy voting decisions where a conflict of interest has been identified, and based on internal analysis, where the proposed vote direction departs from AllianzGI's policy recommendation. The decision making is based on AllianzGI's Global Corporate Governance Guidelines summarising our position on specific issues, including issues of corporate governance and corporate actions, and gives a general indication as to how we will vote in such instances.

Conflict management - There are instances when we may not wish to undertake proxy voting in strict

adherence to the guidelines. Where a potential material conflict of interest arises between the company's interest and those of a client with respect to proxy voting, the Global Proxy Voting Committee will convene to evaluate the issue, taking into account information from all relevant sources, including the portfolio management team, the stewardship analyst, management of a company presenting a proposal, shareholder groups and independent proxy research services.

Other potential conflicts of interest in voting clients' proxies are addressed through the application of the Global Corporate Governance Guidelines and Proxy Voting Policy, which is implemented through an unaffiliated third-party proxy voting service provider.

All deviations from the guidelines are documented and reviewed by our Compliance function to ensure AllianzGI employees comply fully with relevant policies and procedures.

Functional separation - A separation of processes and management within AllianzGI helps ensure that individuals who are clients or have business relationships with the firm are not able to exercise improper influence over our proxy voting decisions. Proxy voting rests entirely with the investment platform. We have robust policies and procedures in place designed to ensure that our investment professionals' proxy voting decisions are not subject to improper influence and that individuals who work in client service, sales and marketing or other non-investment functions are not in a position to influence the voting process.

Training - AllianzGI has implemented global and local policies, including Codes of Ethics and Business Conduct, which are designed to ensure employees always put first the interests of our clients and take care to avoid even the appearance of impropriety.

Such policies require our employees to disclose all potential conflicts and, if applicable, recuse from voting decisions in cases in which there is a potential conflict or even a potential perceived conflict of interest. Specifically, portfolio managers or Proxy Committee members with a personal conflict of interest regarding a particular proxy vote must recuse themselves and not participate in the voting decisions with respect to that proxy. We review and train all employees on such policies at least annually.

Management - To manage potential conflicts in our engagement activities, AllianzGI has developed a clear and transparent internal escalation guidance. The guidance distinguishes between non-public and public engagement activities and assigns decision-making authority for proposed engagements with clients, major suppliers, non-governmental organizations, policymakers, media and other parties. Our approach to managing potential conflicts in engagement activities, including collective engagement initiatives and public policy engagements, is set out below:

- **Affiliated companies:** We normally refrain from formal engagement with affiliated companies. However, we are willing to provide informal feedback to the boards and management of affiliated companies, including explanation of any votes against management or our position on issues and concerns raised by other investors.
- **Directors and employees:** In instances where directors or employees of AllianzGI or our affiliated companies hold directorships or advisory roles at a company we are engaging, those persons will be excluded from engagement or voting.
- **Clients and significant suppliers:** We do not change our general approach to engagement with clients and significant suppliers.

Monitoring investee companies

The performance of our investment portfolios depends on that of the companies we are invested in; it is therefore essential that we continually monitor different aspects of these companies' performance.

AllianzGI's global investment platform comprises over 600 investment professionals who collaborate to guide clients with investment decisions. Portfolio managers take responsibility for monitoring companies in their respective portfolios while Sustainability and Stewardship analysts monitor companies and issues where material ESG risks have been identified and engagements initiated to address those.

Our monitoring process for investee companies covers:

- Strategy implementation and significant developments that can impact delivery and value
- Financial performance and key value drivers, assessed by reference to the strategy and main Key Performance Indicators ("KPIs"), as well as key competitors and broader industry
- Capital management issues
- Corporate governance practices and alignment with minority shareholders
- Quality and effectiveness of the leadership team (ie, board and management), and succession planning
- Material risks, including environmental and social issues, that are likely to impact performance, share price and dividend payments, and mitigation measures
- Quality of company reporting, including from the accounting, audit and sustainability perspectives, as well as quality of management discussion and analysis
- Identification of financial, operational or reputational issues at an early stage, which may result in a significant loss in investment value

- Sustainability strategy, targets and implementation including the company's pathway towards net zero, biodiversity-related issues, advancing human rights and other social concerns.

Monitoring is accomplished by:

- Following public announcements by investee companies and their industry peers
- Reviewing interim and final results announcements, trading updates and other information provided by investee companies
- Reviewing annual reports and reference documents
- Reviewing corporate governance practices and shareholder alignment as part of company research and prior to voting at shareholder meetings
- Reviewing environmental, social and business conduct policies, practices and risks at investee companies as part of the research process
- Reviewing third-party research and meeting third-party analysts and industry experts
- Attending investor presentations and events
- Meeting with management and investor relations on a regular basis
- Meeting with Board chairpersons or non-executive directors (where possible and appropriate) to discuss matters related to strategy, governance, management team performance and succession, risk management, data security and cyber defence, management of environmental and social impacts, business conduct and culture, etc
- Engaging in dialogue with investee companies on specific issues of concern identified during the research and monitoring process or to encourage companies to seize emerging opportunities.

AllianzGI's global collaboration system enables investment professionals to share files, external reports and research notes in a structured and fully searchable manner. By enhancing the flow and transparency of investment-related information, we make monitoring of investee companies more efficient, and maximise the benefits of our global resources to the advantage of our clients.

Furthermore, our investment professionals have daily interactions and open engagement in regional morning meetings, strategy meetings, investment committees etc. where they discuss emerging news and its possible impact on issuers both within client portfolios and within the 'watch' list of preferred issuers.

We support the development of corporate governance best practice standards aimed at helping companies to prevent governance failures that can result in value destruction. We expect all companies to consider the risks that such codes of best practice seek to address, and to either adopt respective recommendations or develop and disclose alternative arrangements that are equally effective but may be more appropriate for the business. AllianzGI, therefore, supports the "comply or explain" principle, and our research and investment professionals give careful consideration to all explanations of departures from respective codes of best practice.

As an active investment manager, we may from time to time receive material non-public information from companies or their advisers (eg, through "market soundings" of potential transactions in a company's securities). The default position of AllianzGI is that we wish to avoid receiving such information, because it makes us an "insider" and therefore restricts our ability to trade shares of the relevant company. However, from time to time, we may selectively decide to participate in a market sounding or similar event and thus receive what may be deemed material non-public information. This decision can only be made by the Global Head of Investments, regional and asset-class Chief Investment Officers, Heads of Trading or a senior investment professional at AllianzGI to whom one of these individuals has delegated authority. We have designed and implemented policies and procedures to ensure that in such situations we comply with all relevant laws and regulations governing the possession and restricting the use of material non-public information.

Engagement strategy

At AllianzGI, we are pursuing an engagement approach with an activist sustainability orientation as part of our ambition to be a sustainability shaper. We evolved our approach in 2022, focusing on thematic and collaborative engagement as well as engagement across all listed asset classes. We also maintained our risk-based approach to engagement for large holdings.

Thematic engagement: in 2022, we continued to refine our thematic engagement approach aligned to our three sustainability themes – climate change, planetary boundaries and inclusive capitalism – in addition to governance themes within specific markets and more broadly. We prioritise engagement projects based on the size of our holdings per market or portfolio and the priorities of clients or certain funds. The many direct conversations with our clients provide us with insights into their engagement priorities and thematic focus areas which extend particularly to climate, biodiversity and human rights issues.

Collaborative engagement: to scale our engagement and be more effective in the major markets where we have holdings, in 2022, we laid the legal foundations for broader collaborative engagement. We are partnering with high-profile initiatives, focusing our efforts on climate transition, diversity and select governance topics.

Engagement across all listed asset classes: while the bedrock of our engagement activities comes from our heritage as an active equity manager, we are also now anchoring our engagement more specifically in fixed income and facilitating dedicated dialogues for our corporate credit strategies. Our strategy includes enhancing the engagement-specific skills of our investment professionals through dedicated training.

We seek to reinforce our engagement approach externally through public speaking and policy engagement.

Our risk-based approach remains the basis of our engagement strategy and focuses on the material ESG risks that we identify. Targeting is closely related to the size of our exposure, whether per market or fund or considering the total value of investment. The focus of engagements is determined by considerations such as significant votes against company management at past general meetings and sustainability issues that we identify as below market practice. Engagements can also be triggered by controversies connected to sustainability or governance. Our activities typically relate to an investee company's strategy, operational or financial performance, capital management, corporate governance and ESG risks and impacts. This approach allows us to strike a good balance between ESG risk reduction in our portfolios and leading clients and companies on an inclusive sustainable pathway to change. It also allows us to set clear engagement objectives from the outset.

All direct engagements will be coordinated between AllianzGI's internal stakeholders in a transparent and inclusive way using our global collaboration system.

Our engagement activities include monitoring, providing feedback, challenging corporate practices and seeking change, and, in rare circumstances, public interventions. The most common engagements are around strategy, operational and financial performance, capital management, corporate governance and proxy voting issues, as well as environmental and social practices of investee companies. While our preference is to engage investee companies confidentially, we are prepared to escalate engagement activities publicly if we conclude

that the confidential approach has gone as far as it can without delivering progress, and that our engagement objective would be best served by escalation.

Engagement can take various forms, including:

- Electronic correspondence
- Face-to-face meetings and conference calls with investor relations, executive directors and senior management, board chairpersons and non-executive board members, company secretaries, as well as heads of operational, controls and sustainability functions
- Formal letters to boards and management
- Discussions with company advisers and other external stakeholders
- Communication of voting decisions to investee companies
- Dialogue and collaboration with other shareholders
- Public interventions, through co-filing/filing shareholder resolutions, speaking at shareholder meetings, pre-announcing voting decisions and commenting in the media.
- In exceptional cases, attending general meetings of investee companies.

AllianzGI sees stewardship as an ongoing process, which is not limited to the circumstances where escalation is deemed necessary. For example, we would engage in dialogue with the chairperson or a non-executive director of our investee companies even if there are no material concerns to address.

As an active investment manager, AllianzGI sees engagement as a way to reduce investment risk, help improve corporate performance and better assure long-term business prospects of investee companies. Consequently, while we keep records of our engagements and positive stewardship outcomes, we consider success of our engagements an integral part of our investment performance. All AllianzGI's engagement notes and outcomes are available on our global collaboration system, thus allowing all portfolio managers and analysts to reflect these in their investment decisions.

Escalation of stewardship activities

In our engagements, companies are not always responsive to our concerns, or their actions do not give due consideration to the interests of minority shareholders. If we conclude that our concerns cannot be resolved through standard interactions with investee companies, we may start a more focused engagement approach and consider escalation to achieve our engagement objectives. The chosen engagement approach will depend on the circumstances and the nature of our concerns. Escalation options are not mutually exclusive and can be combined depending on the situation.

Initially, engagement is typically escalated through additional meetings with management and a more intensive dialogue with the board chairperson and non-executive directors. We prefer to address the issues of corporate governance and succession planning, risk management and internal controls, quality of audit, executive remuneration, and long-term sustainability matters directly with a non-executive board chairperson, lead/ senior independent director and other non-executive board members – thereby gaining senior input on the matters of concern. We also consider emphasising our position to the board in writing if we have the impression that direct interaction has been unsuccessful.

AllianzGI prefers direct engagement with companies; but, where direct engagement does not progress as satisfactorily or where our shareholding is insufficient for an effective escalation in our own right, we consider other options, including, but not limited to:

- Voting against resolutions at shareholder meetings including votes against directors
- Collaborating with other institutional investors on single issues
- Joining collaborative engagement initiatives coordinated by investors, trade associations and other organisations where these seek to address market or industry-wide concerns
- Expressing concerns through company advisers, for example in merger and acquisition (M&A) situations
- Co-filing/filing resolutions at shareholder meetings
- Reducing or exiting our investment position as and when appropriate (any decision to reduce or exit an investment position will be taken at a portfolio level).

AllianzGI will consider making public statements as a last resort when all other channels of constructive dialogue have been exhausted.

We apply these tools broadly across our holdings globally. For fixed income holdings, escalation tools are by nature more limited as they do not extend to actions taken in the context of shareholder meetings. However, if we have holdings both in equity and fixed income funds, we lead escalation measures across asset classes to be more effective.

For all public interventions, a clear internal escalation procedure is in place. Depending on the nature of concern and preferred escalation action, our public interventions will be reviewed following a dedicated reputational risk process involving senior management as appropriate. Our parent company, Allianz SE, will be notified as appropriate.

Acting collectively with other investors

Shaping pathways towards change requires collaborative engagement with other investors to increase our impact. In some cases, collaborative engagement is the most effective way for AllianzGI to achieve engagement objectives for our clients. It is particularly important where we have major concerns and only small holdings in investee companies, and where it is difficult to have shareholder voice heard through individual engagements.

AllianzGI's decision to initiate or join a collective engagement will depend on a number of factors, including:

- The specific issue of concern
- Extent to which we can exert influence on our own
- Trust and alignment in views and objectives with other investors
- Agreement on strategy and potential escalation
- Probability of success.

AllianzGI's collective engagement activities are undertaken in compliance with relevant statutory rules and guidelines from regulatory authorities, including on market abuse, insider dealing and concert party regulations.

AllianzGI is a member of multiple trade associations, investor networks and other bodies that facilitate investor engagement, and we leverage these when and as appropriate. At any given time, AllianzGI may be actively involved with several investor organisations and projects that facilitate discussion, sharing of information and collective engagement at an issuer or public policy level, including, but not limited to, the following:

- Association Francaise de la Gestion Financiere (French Asset Management Association)
- Climate Action 100+
- Council of Institutional Investors (CII)
- European Fund and Asset Management Association (EFAMA)
- European Leveraged Finance Association (ELFA)
- Forum per la Finanza Sostenibile (Italian Responsible Investment Forum)
- Forum pour l'Investissement Responsable (French Social Investment Forum)
- German Investment Funds Association (BVI)
- Hong Kong Investment Funds Association (HKIFA)
- Institutional Investors Group on Climate Change (IIGCC)
- International Corporate Governance Network (ICGN)
- The UK Investment Association (IA)
- The UK Investor Forum
- UN PRI

Please refer to the AllianzGI Sustainability and Stewardship Report 2022 for an overview of activities and different sustainability initiatives in which we participate.

We see it as our fiduciary duty to raise and seek to address issues that can impact the long-term sustainability and performance of our investments through public policy engagement. In our approach we seek to speak with one voice across all regions and asset classes and help external stakeholders understand the rationale for our involvement and how they can address investor concerns. For this reason, all proposed public policy engagements are reviewed following a dedicated reputational risk process involving senior management as appropriate.

Proxy voting

AllianzGI's approach to proxy voting

Exercising voting rights at shareholder meetings is a fiduciary duty to our clients and a core part of AllianzGI's role as an active investor and of our stewardship process. Our goal is to vote at shareholder meetings of all companies we invest in where AllianzGI has the authority to exercise voting rights.

AllianzGI is bound by the terms of investment management agreements with our clients, including those related to proxy voting. We therefore may refrain from voting, or only vote on specified holdings/proportion of holdings in institutional clients' portfolios if so mandated by the client. AllianzGI respects the right of clients in segregated accounts to retain voting rights, request that voting rights are exercised in line with the client's voting policy, or delegate proxy voting and engagement activities to a third-party service provider. We do not provide clients with the option to influence voting decisions on a case-by-case basis. Finally, AllianzGI may refrain from voting if share blocking can be applied due to market regulation or custodian practices, or where specific market/custodian requirements make it impractical to vote.

Global Corporate Governance Guidelines and policy review

AllianzGI's approach to corporate governance and proxy voting is set out in our Global Corporate Governance Guidelines [[Documents \(allianzgi.com\)](#)]. The Guidelines outline our expectations regarding corporate governance practices at investee companies, including composition and effectiveness of corporate boards, shareholder rights, capital-related authorities, executive compensation, quality of external audit, and sustainability-related issues.

We apply proprietary Corporate Governance Guidelines across our holdings globally. We put great effort and care into developing in-house views and positions on corporate governance and proxy voting matters. The Global Corporate Governance Guidelines are underpinned by detailed proxy voting policies that help to shape our voting decisions, while our proxy voting process ensures that significant governance and voting matters, and potential conflicts of interest, are assessed on a case-by-case basis.

AllianzGI's Global Corporate Governance Guidelines are approved by our Global Proxy Voting Committee. We review our Global Corporate Governance Guidelines and related policies at least once per year, considering changes in market developments, vote turn-out, regulatory amendments and changes in expectation levels of our clients. We include feedback from our service provider on the applicability of our voting policy in the review process.

All proposed changes to the guidelines and the voting policy require consultation with the investment platform involving equity portfolio managers and analysts in all our locations globally. Input from our investment teams enables us to create a nuanced approach that combines global best practice standards for corporate governance with the knowledge of how these can be best applied and promoted in local markets.

Proxy voting service providers

All proxy voting research and initial voting recommendations are generated based on our own proprietary proxy voting policy. Proxy voting research is provided by Institutional Shareholder Services ("ISS"), a third-party proxy voting service provider. AllianzGI uses an electronic proxy voting platform provided by ISS to cast our votes. In addition, we have access to various

other sources of sustainability research, corporate governance indicators, as well as sell-side analysis that we use to supplement our analysis and assessment.

Proxy voting and internal consultation process

The general approach of AllianzGI, which applies globally, is to use corporate governance analysis as an important input into company research, internal ratings and company engagement. Our investment platform has processes designed to link portfolio managers and the Sustainability Research and Stewardship teams, and through their collaboration we are able to highlight ESG risks and substandard practices in investee companies.

AllianzGI has adopted a risk-based approach to proxy voting research and analysis. This means the Stewardship team focuses its effort on reviewing shareholder meeting proposals for the proportion of holdings in our portfolios deemed particularly important to us and potentially higher risk, mainly large aggregate positions across our strategies, core holdings in individual funds, companies with an ongoing engagement activity, etc. Our proxy voting policy is consistently applied to the remaining holdings.

Once reviewed, proposals are logged within our global collaboration system which is accessible to our investment teams. This means they can review potentially contentious proposals for holdings in their portfolios and discuss them with the Stewardship team for further analysis before reaching a consensus decision. For policy overrides, internal consultations involving analysts and portfolio managers take place through this system

as well. We do not automatically support company management or the board, which is evidenced by our voting statistics.

AllianzGI aims to have one integrated view when it comes to proxy voting decisions and will only depart from this approach in exceptional circumstances when differing votes by investment teams can be justified by strategy-specific considerations.

AllianzGI encourages investee companies to engage with us long in advance of shareholder meetings. We favour robust dialogue that leads to improvements in corporate practices rather than voting against management proposals at shareholder meetings. Whenever practical, we will seek discussions with companies on contentious issues. Where we hold a significant stake or have been engaging the company, we will endeavour to advise the company in advance of any decision to vote against or abstain on management proposals.

Securities lending

Securities lending can play a role in enhancing returns where it is deemed appropriate. We do not actively engage in securities lending on behalf of either our mutual funds or assets for institutional clients, whether via an in-house securities lending desk or a third-party agency. However, where an individual institutional client requests us to facilitate securities lending through external agency lending – for example via an independently selected custodian – we strive to support this activity within our operational process frameworks.

Reporting on stewardship activities

At AllianzGI stewardship activities are undertaken for and in the interests of our clients. AllianzGI is committed to ensuring a high degree of transparency in our proxy voting activities and the decisions taken on behalf of our clients.

We report on our stewardship and proxy voting activities as follows:

- Our proxy voting records are disclosed on a continuous basis one day after the respective shareholder meetings of our investee companies. A full disclosure of all our votes, including vote direction and rationale for votes against management, as well as summary voting statistics is available on our corporate website [[Proxy Voting Dashboard | AGI \(issgovernance.com\)](#)]
- AllianzGI has provided a standard monthly reporting offering for sustainable investments to its clients since 2020. Depending on the investment strategy, clients can view their sustainable investments compared to the product benchmark. Our reporting contains carbon emissions information that enables investors to see the carbon footprint of their portfolios in absolute and relative terms as well as an overview of the engagement activities relevant to the fund.
- Fund specific proxy voting activity reports are provided to institutional clients who wish to receive them at a frequency in line with their own requirements.
- All engagement records are maintained in our global collaboration system alongside other research notes and comments from analysts and portfolio managers. We provide clients with an overview and examples of stewardship activities for their funds on request, on an ad-hoc basis and during annual reviews.
- AllianzGI publishes an annual summary report providing an overview of our proxy voting and engagement activities on our corporate website [[Documents \(allianzgi.com\)](#)].
- AllianzGI places high importance on the value of research and sharing of intellectual capital. We publish selected research and policy papers on our corporate website [[Home \(allianzgi.com\)](#)].

Assurance

Independent assurance over proxy voting processes is performed at AllianzGI by the following departments and activities:

Internal audit is performed by the Internal Audit department of Allianz Asset Management AG, the holding company of AllianzGI. The primary purpose of the Internal Audit department is to examine, evaluate and report independently on the adequacy and effectiveness of the internal control framework by applying a risk- and process-based audit approach, which forms an annual audit plan. Proxy voting is included in the annual audit plan on a periodic basis. The scope of the audit typically covers all aspects and components of proxy voting described in this document, and associated policies. Additionally, Internal Audit provides an independent assessment of the adequacy and effectiveness of the control environment and recommends improvements to it, where appropriate.

Contact for matters relating to proxy voting and engagement:

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