

ACATIS FAIR VALUE SPECIAL

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Active engagement: Making the world more sustainable

Generally speaking, the term engagement means taking an active stance in favour of something. Of course, with respect to ACATIS Fair Value this means engagement in favour of sustainability. Besides sustainability filters and our exclusion/ESG/SDG criteria, there are also other ways in which we continue to promote sustainability at our portfolio companies, e.g. exercising voting rights or entering into a direct dialogue with the invested companies.

For the ACATIS Fair Value funds, we are already evaluating the CO2 footprint, we commission climate scenarios for the portfolios, we are concerned about the impact of social and ecological projects, and as ACATIS Fair Value Investment AG we are also a climate-neutral organisation. We expand our sustainability expertise and also implement another important aspect of sustainability, namely active engagement.

In addition to exercising our voting rights at our portfolio companies, our active engagement also includes maintaining long-term dialogues between potential investors/shareholders and companies that have critical business activities and that are not in the portfolio or the possible investment universe because they may breach the exclusion criteria. This dialogue is important to improve the behaviour of companies with regard to the ESG criteria. In this way, corporate leaders and executives are made aware of deficits in their sustainability performance as perceived by outsiders, they are sensitised to problematic business activities and they are asked to change or remedy

critical business activities, or at minimum to report these in a transparent manner.

Currently, there are a number of specialised service providers available to assist with this sustainability strategy. Institutional Shareholder Services Switzerland AG (ISS) actively implements this process for the ACATIS Fair Value funds, with the goal of starting a direct dialogue with companies. Our goal is to encourage companies that do not have any sustainability standards at this time, or that are not performing well in certain areas, to consider social, ethical and ecological aspects in their organisation. ISS highlights the weaknesses at selected companies and identifies potential improvements.

Because they are acting in unison, engaged investors are now taken very seriously by the companies. This type of "business involvement" is becoming increasingly important, not just in terms of sustainable investing but also for the external assessment of a sustainability fund (e.g. FNG seal).

As a sustainable company that advises sustainable funds, we have to do more than just talk about sustainability - we must lead by example. Therefore we are climate-neutral.

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