

# Engagement Services

## Introduction

Inrate engages on Environmental, Social, and Governance (ESG) issues with listed companies in Switzerland on behalf of its clients (the “Responsible Shareholder Group”, RSG). The clients are long-term asset owners aiming to improve sustainability performance by setting important topics on a firm’s agenda. Our engagement services provide the opportunity to bring investors together to examine and challenge the companies’ actions and policies. Moreover, engagement poses the possibility to align investment portfolios with the values and norms of the beneficiaries.

We conduct face-to-face meetings with selected companies of the Swiss Performance Index (SPI) on specific ESG-related issues. Our role is to stimulate the target company’s ability to cope with environmental, social and governance risks. Inrate has a long history of involvement in innovative sustainability research promoting sound business practices across industries and companies. Our engagement approach not only has a positive impact on sustainability performance, but also on meeting the Sustainable Development Goals (SDGs). Our engagement services thereby optimally complement our services to portfolio construction and active voting.

## Main Engagement Topics

Within the RSG, the member has the right to propose, debate and vote. At the annual meeting, the group decided to focus on the following six key ESG topics in 2020:

- **Environment** – Scope 3, Green Products and Services
- **Social** – Human Rights Due Diligence, Psychosocial Risks
- **Governance** – Competencies in the Board, ESG Criteria in the Compensation System

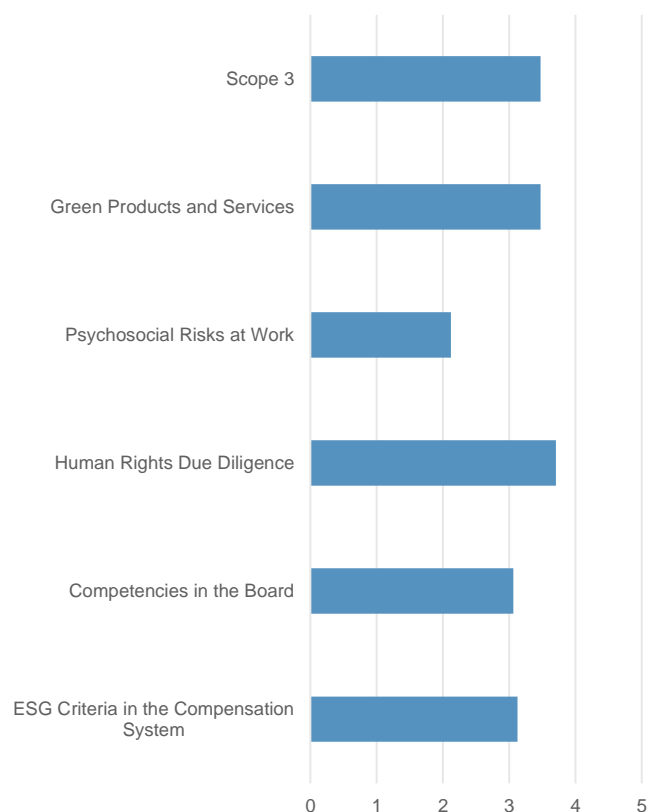
On every main engagement topic we assess five aspects that are crucial to their successful implementation. This allows us to define our focal points to the companies, to evaluate the current status and to document progress.

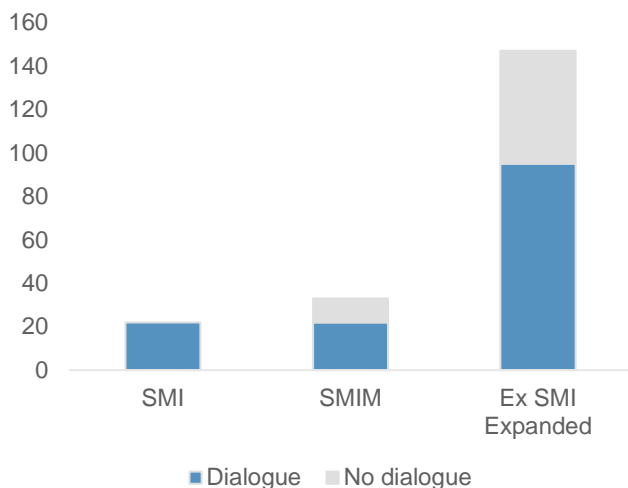
On average, the companies achieve 2 to 4 points in all topics (see picture to the right). For example, regarding ESG Criteria in the Compensation System we equally evaluate the implementation in the compensation system, relevance of criteria, the long-term orientation, the transparency, and comprehensibility of the compensation report.

Furthermore we discuss elements of our corporate governance and ESG ratings, as well as controversies with the companies.

## Key Member Benefits

- **Responsibility** – Promote sustainable business practices across Swiss companies and enhance long term value
- **Dialogue** – Efficient and comprehensive way to engage with investee companies on environmental, social and governance issues of concern
- **Agenda setting** – Asset owners can make own suggestions for new engagement topics within the Responsible Shareholder Group at the annual meeting
- **Reporting** – Engagement activities and progress are measured and comprehensibly represented online and in the annual report
- **Reputation** – Due to our fact-based approach, a high level of acceptance in the Swiss market has been achieved
- **Coverage** – Around 200 listed companies headquartered in Switzerland are covered
- **Methods** – Meetings, telephone conferences and emails





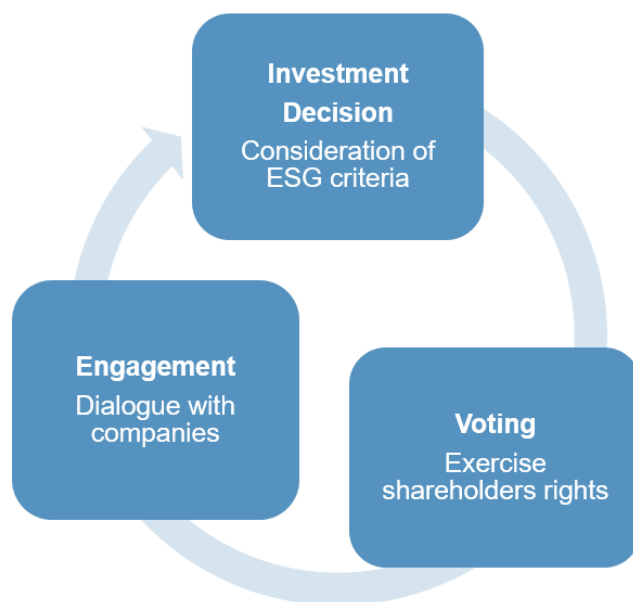
### Dialogue with over 130 Swiss Companies

In the last four years we had contact with over 130 Swiss companies. While we seek face-to-face meetings with selected companies from the Swiss Performance Index (SPI), we informed all companies about our corporate governance ratings (zRating). This resulted in over 300 exchanges in meetings (21 %), phone calls (19 %) or email contacts (60 %) (see picture on the left).

### Engagement for Sustainable Investors

Inrate offers in depth knowledge of sustainability research helping clients develop, and successfully implement, innovative sustainability solutions:

- **Investment Decision** – Inrate’s *ESG Impact Ratings*, *ESG Investment Universes*, *ESG Portfolio Analyses*, *ESG Exclusion Criteria* provide the basis for sustainable investing.
- **Voting** – *zRating Governance Services* support institutional investors in exercising shareholders' rights with transparent and understandable voting recommendations and detailed corporate governance research.
- **Engagement** – *Responsible Shareholder Group* is a group of long-term asset owners that participates in improving companies’ sustainability through continual dialogue on ESG issues.



### About Inrate

Inrate is a leading independent sustainability ratings provider based in Switzerland. Since 1990, we link our in-depth sustainability analysis with innovative investment solutions for the financial markets. Our ratings are a measure of the impact companies have with their behavior and products on society and the environment as well as their willingness and ability to effectively tackle the corresponding challenges.

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### Partner



### Memberships

