

Engagement Policy

Generally speaking, engagement means taking an active stance in favour of something. At ACATIS Fair Value Investment AG (AFV), naturally this means engagement in favour of sustainability. For the ACATIS Fair Value funds, we are already evaluating the CO2 footprint, we commission climate scenarios for the portfolios and we support and participate in social and ecological projects; moreover, ACATIS Fair Value Investment AG is also a climate-neutral organisation.

Active engagement

We strongly believe that a sustainable business strategy achieves sustainable yields in the long run. As investors, we mainly focus on good management (e.g. the composition of the Management Board and the Supervisory Board). But we also pay close attention to the company's sustainability objectives. How do the company's products and services actively contribute to the 17 Sustainable Development Goals of the UN (SDGs), and how was (or is) the CO2 footprint and e.g. energy and water consumption reduced?

In addition to exercising our voting rights at our portfolio companies, we are also actively engaged outside of the portfolios by maintaining a long-term dialogue with companies that engage in critical business activities or that potentially breach our exclusion criteria and therefore are not eligible for investment. This dialogue is important to improve the behaviour of companies with regard to the sustainability balance sheet, by identifying any deficits in this regard. In this way, corporate leaders and executives are made aware of shortcomings in the sustainability performance. They are sensitised to problematic business activities, and they are asked to modify or contribute to the removal of critical business activities, or at least provide transparent reporting for the same. At large companies, it often makes sense to combine forces. Therefore we work closely with our partner ISS Switzerland, because the same principle applies here as well: Together, we are strong. ISS regularly reports to us.

Company dialogue

Direct communication with current or future portfolio companies is an extremely important aspect of our engagement, particularly in our home market (Germany, Austria and Switzerland). Often, small or medium-sized companies that have developed exciting solutions in the sustainability segment, which help to achieve the SDGs, lack the corresponding sustainability profiles. We conduct preliminary checks, sensitise management to the sustainability criteria and interview the companies ourselves, after which they are independently evaluated using this additional information. Also, we continue to closely monitor these companies after an investment has been made, in the form of update interviews or discussions of previously announced initiatives.

Our portfolio managers also speak with the companies on a regular basis. Every now and then, events make it necessary to perform a re-evaluation from a sustainability point of view, e.g. breaches against our exclusion criteria or controversies. In the worst case, such insights may lead to a situation where our investment is pulled immediately.

Our engagement report is published quarterly, whereas the report on the exercise of voting rights is published annually. Both are found on our website.

Kommentiert [W11]: or: "where we immediately sell our stake in the company."