

Engagement and Voting policy

Our commitment and objectives

Inyova empowers regular people to make a positive change on the world through investing. As owners of companies, shareholders can have a powerful impact. One of our main levers to create impact is 'active ownership', including company engagement and voting. By offering our impact investors direct investments in stocks, Inyova is positioned to turn retail investors into active owners.

The Inyova community believes that sustainable development for society and the planet is also good for long-term shareholder value. We want companies to fully realise their potential to have a positive impact on this world - both with their **Handprint**, i.e. their products and services, and their **Footprint**, i.e. their operations. In contrast, we want companies to avoid controversial business areas (see **Exclusion criteria**) and business practices (e.g. corruption, human rights violations or pollution).

Our impact investors are motivated by the understanding that companies that proactively manage the risks and opportunities caused by social or environmental forces, as well as the associated changes in regulation and market demand, will be able to maintain and increase their value to shareholders in the long term. This is why we engage with companies in our universe and, together with this community of impact investors, exercise shareholder rights at annual general meetings

Topics we engage on

Handprint

We want companies to maximise the positive impact of their products and services. In most sectors, there is scope for products and services that contribute to sustainable development and social justice. We aim to identify such opportunities at the companies in our universe, and either encourage them to build products and services with a positive impact, or try to convince them to cease any harmful activity.

For example:

- Automotive companies to go electric, while phasing-out all internal combustion engine technologies.
- Consumer staples and retailers to increase their share of fair-trade, organic and/or vegan products, while reducing meat-based products.
- Utilities to increase the share of renewables in their energy mix, whilst stopping them from burning fossil fuels.

Footprint

We want companies to manufacture their products or offer their services in the least harmful way possible. Depending on the size and maturity of a company, this could start with an increase in transparency and disclosure. While for larger and more established companies, we aim to drive them to apply best business practices, or go beyond, and set ambitious, quantifiable, and measurable targets regarding key environmental, social, and governance issues.

Controversies

Where research reveals involvement in controversial business areas (e.g. controversial weapons) or practices (e.g. corruption, human rights violations or pollution), we seek to ensure that the company either provides a concrete timeline for their strategy on how to either exit the relevant area(s) or remediate and mitigate any damage done.

Our strategy

Types of engagement activities

We aim to leverage a variety of engagement strategies including

1. Dedicated campaigns concerning a specific issue directed towards single companies or an entire industry.
2. Public events to connect our community of Inyova retail investors with company representatives.
3. Reactive, event-driven outreach in case of controversies.

Our specific campaigns are built on extensive research on a relevant issue and we can make use of our full range of engagement elements, including shareholder proposals and collective engagement.

At our public Shareholder Engagement Talks we facilitate dialogue between company representatives and the Inyova community of retail investors. Such events generally cover a broad variety of sustainability and impact issues. Companies will receive direct feedback from an investor class that is rarely heard, while our customers get the opportunity to directly voice their main concerns and questions.

As soon as we receive information that a company is involved in a controversial business or practice, we try to contact the company to request a plan to stop this harmful activity. We usually set a deadline of two weeks for the company to respond and provide relevant information.

Research and monitoring

We constantly research and monitor a company's handprint, footprint, and involvement in controversies among others through various data providers and by reviewing the company's legally mandated reporting in financial reports as well as ad hoc announcements.

In addition, we follow major trends and developments regarding sustainable development to identify relevant issues for our campaigns.

For our campaigns, once we have identified a relevant issue, we produce a report based on interviews and published research by experts, NGOs, think tanks and other relevant stakeholders. Such output will be made available to the company, investors and the public.

Cooperation with the companies

We aim for a constructive, collaborative approach, given that companies are part of our universe and we are looking for long-term investments. Our goal is to contribute to making companies future-proof by working to ensure that their business strategy is compatible with sustainable development.

Whilst we recognise that the company itself is in the best position to manage its internal processes, we seek to provide oversight and guidance on best practices as well as direct feedback from our retail customers - a viewpoint that often seems underrepresented in current discussions.

Our dialogue is aimed at investor relations, members of the management and/or supervisory board of the company and may also include speaking at annual general meetings.

Cooperation with other shareholders

In principle, we are open to various forms of cooperation with other shareholders if this is conducive to the preservation and enhancement of long-term shareholder value in the sense of sustainable development at the respective company.

We are mainly looking to provide clear, well-founded cases to spark dialogue between fellow investors and the company. We primarily see our current role in supporting larger asset managers and owners to drive change at companies by providing them with expert research into sustainability topics that would otherwise be lacking in their decision making process, including a detailed explanation of the risks and potential rewards.

We are currently looking into joining relevant collaborative initiatives like the Climate Action 100+, the Institutional Investors Group on Climate Change (IIGCC) or the UN Principles for Responsible Investment (PRI) to facilitate collective engagement and increase our impact.

Cooperation with other stakeholders

For us, it is crucial to work with experts, NGOs, think tanks, and other relevant stakeholders to ensure our campaigns are well founded. We aim to understand the issue at hand as comprehensively as possible. Not only to have clear arguments and a clear case when discussing the issue with the company, but also to inform and educate fellow investors, our customers, and the broader public.

Escalation steps

In case a company we're invested in is not responsive, we may need to resort to what some might deem to be 'activist' elements, in order to capture their attention. This can include collaborating with other investors and relevant organisations, going public with our concerns (especially via social media channels) as well as making use of voting and other shareholder rights such as counter motions and election proposals provided that the legal requirements for this are fulfilled.

Companies involved in controversial activities such as involvement in controversial weapons, corruption, human rights violations or pollution, that cannot provide a clear plan to cease or remediate their involvement are either deactivated, removed from the investment universe relevant to our algorithm or completely divested, depending on the severity of the controversy.

We recognise a company's ownership structures and geography may influence our success to capture attention and drive change, e.g. there are countries where companies are less responsive to international investors. We aim to be sensitive to the cultures in which we operate, and our engagement approach reflects this.

Use of voting and other shareholder rights

With Inyova, our customers become direct shareholders of the companies they are invested in, while we manage their assets through regular monitoring and rebalancing. Inyova also assumes the responsibility to exercise shareholder rights such as voting.

We are currently in the process of implementing a voting infrastructure and thus, we limit our voting efforts to vote against board proposals at companies for which our research has identified relevant issues or that are subject to one of our dedicated campaigns, or to vote for shareholder proposals on relevant environmental, social or governance (ESG) issues.

We generally aim to support proposals that call for actions beyond disclosure or greater transparency around ESG issues – including but not limited to the adoption of policies on topics such as human/labor rights, workplace safety or discrimination, incorporation of climate-related performance metrics into board remuneration schemes, among others.

Furthermore, we will only exercise voting rights to a very limited extent in the first year. If so, we always try to support proposals that ensure sufficient independence, diversity, accountability and

oversight of relevant ESG issues, especially climate protection. This applies, among other things, to the composition of the supervisory board, remuneration systems as well as mergers and acquisitions.

Formalities

Annual disclosure on the implementation of engagement and voting policy

We publish an annual overview of voting and engagement activities on our website.

Regular update to engagement and voting policy

This engagement and voting policy is subject to a constant review, at least on an annual basis.

Zurich, 4 May 2022