

Engagement & Voting policy (EN)

Please note: we are currently updating this policy to reflect recent upgrades to our investment solutions, which brings exciting enhancements to our voting framework ready for the 2027 AGM season. The revised policy will be published shortly.

1. Our commitment and objectives

Inyova empowers retail investors to become active owners

Inyova's mission is to turn millions of people into impact investors. To do so, we want to make investing accessible for everyone and focus on investment strategies that generate impact in the real-world. One of the scientifically proven levers to drive change as an investor is active ownership (see [The Investor's Guide to Impact](#)), which is also referred to as stewardship and that entails engagement with companies, proxy voting and shareholder activism. Owning shares of a company gives you access and rights to influence the company's direction. At Inyova, we offer direct investments in stocks and thus, we are able to empower retail investors to become active owners.

We bring in a strong, new voice willing to push for change

We see that many asset owners and asset managers are not using their influence in a way that helps companies to focus on the transition to avoid the worst effects of the climate crisis and transition to an equitable future. By pooling the shares of the entire Inyova community of impact investors and by letting their numbers speak, we will bring in a strong, new voice willing to push for change.

Setting companies up for the transition needed

Beyond being motivated to make the world a better place, our community of impact investors understands that companies that proactively manage the risks and opportunities caused by social or environmental forces are better positioned to thrive. By adapting to associated changes in regulation and market demand, these companies will be able to maintain and increase their value to shareholders in the long term (see [ESG AND FINANCIAL PERFORMANCE](#)).

Helping a company transition can come at a higher corporate investment than requesting simple changes, like increased disclosure. Nonetheless, we believe that a strong economic case exists for addressing environmental, social, and governance issues. With the right arguments, we can convince a company's board and fellow investors. At the very least, we can support the progressive voices among them. Implementing changes sooner and more proactively will benefit long-term returns and the company's value. This will bring about real-world change that benefits the planet and society, the company, and shareholders.

Active Ownership 2.0 in line with best practices

That is why, Inyova aims to conduct active ownership that is outcome-driven with a focus on making progress on common goals such as tackling the climate crisis and social inequalities in a collaborative approach with the company, fellow investors, policy makers and civil society. The UN PRI coined this approach [Active Ownership 2.0](#).

In addition, Inyova seeks to engage in line with relevant policies such as the [Swiss Stewardship Code](#) and the principles for [Credible engagement to foster the sustainable transformation](#) developed by the Shareholders for Change and Union Investment.

2. Focus topics we engage on

The climate crisis is the greatest challenge we face in today's world. It already impacts lives around the globe and fuels other crises such as [biodiversity loss](#) and [global inequality](#). This crisis not only threatens the planet and its people, but also offers compelling arguments to demand greater corporate responsibility.

As investors we want to leverage our access and shareholder rights to engage with companies to make the global economy climate-compatible. Fossil fuels, namely, coal, oil and gas, have been recognised as the main driver of the crisis since the 1980s. Nonetheless, few companies from the Energy sector have changed their business models. This makes them poor objects for a meaningful engagement.

In our view, much more progress can be made a) on the demand side in sectors like Utilities, Transport, and Real Estate, which can shift away from fossil fuels, and b) by addressing companies that enable fossil fuel extraction through financing, insurance, and communication services. From a social perspective, we are convinced that increasing the diversity in leadership is a key strategy to tackle the climate crisis. Bringing in a variety of perspectives and innovative ideas will not only improve decision-making, but build greater trust, and ensure that climate actions address the needs of all communities.

For these reasons, we focus our active ownership on companies that can help to make the world fossil-free and can thrive in a net-zero future. To identify and address the most suitable companies, Inyova ensures that active ownership goals, efforts and results directly feed into investment decision making, and vice versa.

2.1. Handprint

We want companies to align their business with a 1.5°C and net-zero future. In many industries, the most significant leverage lies in what we call the 'handprint' - the impact stemming from a company's products and services. Our goal is to identify risks and opportunities within the companies in our investment universe, encouraging them to increase the share of products and services with a positive impact, or persuading them to cease harmful activities.

For example:

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

2.2. Footprint

We expect companies to manufacture their products or offer their services in the least harmful way possible. To achieve this, we encourage them to adopt best business practices or go beyond by setting ambitious, quantifiable, and measurable targets on key environmental, social, and governance issues, such as climate change and diversity.

In industries where the primary climate impact is not directly linked to the products or services themselves, but rather to own operations and those in their supply chains (e.g., Chemicals), our engagement will focus on addressing the footprint, including emissions from suppliers.

2.3. Controversies

Where our research reveals involvement in controversial business areas (e.g. controversial weapons) or controversial business practices (e.g. corruption, human rights violations or environmental destruction), 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 (see more details on Escalation below).

2.4. Regulation

Regulation is a key driver for change. However, regulators and policymakers often face heavy lobbying by groups aiming to maintain the status quo. We believe that lobbying for a fair, green, and sustainable transition is essential and aim to support this effort. By engaging with regulators and policymakers, we can help ensure that laws are practicable for companies and that necessary adjustments can be implemented at a reasonable expense.

3. Our approach

We believe that focused, well-founded initiatives can be much more impactful than spreading one-off small demands across the entire investment universe. Therefore, we focus on engaging only with selected companies where we identify specific issues worth addressing.

In addition to direct engagement, we recognise the importance of [field building](#) - influencing the broader ecosystem of stakeholders around companies to drive sustainable change. This

includes shifting how other investors evaluate issues, sharing expertise, delegitimising harmful business activities, establishing voluntary standards, and supporting regulatory changes.

Regarding voting, we cover the entire universe with the help of a service provider that ensures consistency with our overall active ownership focus. However, we may manually overwrite voting recommendations to ensure alignment with both our engagement strategy and our field-building efforts, using voting as a potential escalation measure.

3.1. Types of engagement activities

At Inyova, we distinguish between different forms of engagement:

1. Dedicated initiatives
2. Event-driven engagements
3. Joint initiatives
4. Shareholder engagement talks
5. Policy engagement

3.1.1. Dedicated initiatives

Our dedicated initiatives address specific issues at single companies or entire industries. Built on extensive research, these initiatives leverage our full range of engagement tools, including shareholder proposals and collective engagement.

We select topics and companies/industries based on the potential impact we can generate in terms of size and likelihood and feedback from our community of impact investors.

Engagement begins with an official letter to key decision makers, outlining the risks and opportunities related to the specific topic. We request their views, ideally through a short meeting or video call. Depending on the outcome, we move from information requests to action requests, with escalation tactics employed as needed (see more details below).

3.1.2. Event-driven engagements

We constantly monitor the companies in our investment universe. Upon learning of a company's involvement in a controversial business or practice, we promptly request a plan to cease the harmful activity, setting a short deadline for response. We expect action within 12 months. If the company fails to deliver, we determine next steps (see Escalation for details).

3.1.3. Joint initiatives

We support engagement initiatives by other investors or sustainable organisations, ensuring alignment with Inyova's values and sustainability targets before joining. Larger investor coalitions tend to have a higher chance of success, and are relatively easy for us to contribute to.

3.1.4. Shareholder engagement talks

At our public Shareholder Engagement Talks, we facilitate dialogue between company representatives and Inyova impact investors on sustainability and impact issues. Companies get direct feedback from an investor class that is rarely heard, and our community can voice their concerns and questions.

3.1.5. Policy engagement

We engage with regulators and policymakers to advocate for laws aligned with Inyova's values and sustainability targets. This includes co-signing investor letters supporting strict legislation that protects the planet and society, and responding to policy consultations to ensure practicable regulation. Additionally, we use our communication channels, including social media, to shape public opinion.

3.2. Cooperation with the companies

We aim for a constructive, collaborative approach, given that we are looking for long-term investments. Our goal is to ensure their business strategies align with sustainable development and mitigate transitional risks. Whilst we acknowledge that the company itself is in the best position to manage its internal processes, we seek to provide a fresh view from the outside to give oversight, guidance on best practices, and direct feedback from our retail customer base, a viewpoint that is often underrepresented in current discussions.

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

3.3. Cooperation with other shareholders

In Active Ownership 2.0, collaboration is essential to share costs and achieve collective goals. We welcome cooperation with other shareholders to enhance long-term shareholder value through sustainable development.

Our focus is on presenting clear, well-founded cases to initiate dialogue among investors and companies. We want to support larger asset managers and owners by providing expert research on sustainability topics, offering a different view on risks and opportunities often overlooked in their decision-making process.

To facilitate collective engagement, we are a signatory to the UN Principles for Responsible Investment ([UN PRI](#)) and use their tools such as the collaboration platform to initiate or join collaborative efforts. We are also a member of the [Shareholders for Change](#) (SfC) - a European network of institutional investors to engage companies for sustainable development.

3.4. Cooperation with other stakeholders

For us, it is crucial to collaborate with experts, NGOs, think tanks, and stakeholders to ensure our initiatives are well-founded. By understanding issues from multiple angles, we strengthen our arguments and can educate fellow investors, our community of impact investors, and the public.

To ensure mutual benefits, we promote NGO causes from an investor perspective, using our access, shareholder rights, and expertise. We also co-sign public investor statements after thorough review.

3.5. Escalation steps & time limits

In case a company we're invested in is not responsive, we choose from a variety of tools to capture their attention. This can include

- a) seeking a collaboration with fellow investors and other relevant organisations,
- b) going public with our concerns, either at the company's annual general meeting or via media (including social media)
- c) Exercising voting and other shareholder rights such as filing shareholder proposals (provided that we are able to meet the legal requirements).

Engagement is a long process that involves winning the trust of the company's decision makers and fellow shareholders. Depending on the topic and urgency to address it, an engagement can take up to 3-5 years to see the changes we asked for.

There are some topics that are of such a sensitivity that we ask for immediate action. This includes companies involved in activities such as controversial weapons, corruption, human rights violations, or environmental pollution. If affected companies cannot provide a clear plan to cease or remediate their involvement within an acceptable time frame, we can take the following action depending on the severity of the controversy and the company's response

- a) Deactivate them from further investing
- b) Divest them completely

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. This may also impact the timeline and escalation strategy of an engagement.

3.6. 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.

As Voting requires a lot of expertise and capacities, Inyova leverages a service to vote based on rules to promote sustainable development across our investment universe. The service we use is called “As You Vote” and is provided by As You Sow, a nonprofit organisation focused on promoting corporate responsibility and sustainability through shareholder advocacy.

Please find the guidelines on how As You Vote recommends to vote here: [PROXY VOTING GUIDELINES](#).

3.7. Documentation and measurement

To make active ownership a meaningful driver of change, success measurement and clear communication are essential. We track the outcomes of our active ownership efforts by documenting relevant information in a dedicated template.

The information includes amongst others:

- Objective - what we want to achieve with the engagement
- Theory of change - why change is warranted and how to get it
- Inputs - the resources needed, e.g. expert interviews
- Outputs - the activities conducted or services provided, e.g. engagement letter or shareholder proposal
- Outcomes - measurable change arising from the activities, e.g. company, investor or media response to our activities
- Progress report
- Milestones and success level achieved

We seek to keep our community of impact investors updated on each initiative through various means of communication such as email, website or push notifications in the Inyova app.

4. Formalities

Inyova’s Impact team is responsible for implementing, reviewing and further developing the engagement and voting policy.

We publish an annual overview of voting and engagement activities on our website: [Active ownership at Inyova - Engagement, voting and shareholder activism](#)

This engagement and voting policy is subject to a constant review and updating.

Zurich, 24 October 2024