



# RI TRANSPARENCY REPORT

2020

Engagement International

## About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2020 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an 'at a glance' summary of reported information and to identify particular themes or areas of interest.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
🔍	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

# Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	🔒	n/a
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

Strategy and Governance			
Indicator	Short description	Status	Disclosure
SG 01	Responsible investment policy	✓	Public
SG 02	Norms used to develop policies	✓	Public
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	✓	Public
SG 05	Outsourcing of services	✓	Public
SG 06	Providing training/education	✓	Public
SG 07	Applying, advancing and promoting the PRI principles	✓	Public
SG 08	Actions taken to promote responsible investment	✓	Public
SG 09	Long term trends	✓	Public
SG 10	Interaction with asset owners	✓	Public
SG 11	Aligning approach with investor goals	✓	Public
SG 12	ESG recommendations not aligned with investor goals	✓	Public
SG 13	Seeking feedback from clients	✓	Public
SG 14	Managing conflicts of interest	✓	Public
SG End		✓	-

## Active Ownership Services

Indicator	Short description	Status	Disclosure
AOS 01	Engagement and/or voting offerings	✓	Public
AOS 02	Acquiring ESG data and information	✓	Public
AOS 03	Identifying emerging ESG issues	✓	Public
AOS 04	Prioritizing engagement topics	✓	Public
AOS 05	Channels of engagement	✓	Public
AOS 06	Accessing the appropriate teams when engaging with companies	✓	Public
AOS 07	Monitoring engagements	✓	Public
AOS 08	Defining and measuring success	✓	Public
AOS 09	Companies changing practices/behavior following engagement	✓	Private
AOS 10	Engaging with policy makers and industry bodies	✓	Public
AOS 11	ESG in voting recommendations	🔒	n/a
AOS 12	Raising concerns with companies ahead of voting	🔒	n/a
AOS 13	Voting against management	🔒	n/a
AOS 14	Monitoring voting outcomes	🔒	n/a
AOS 15	Mechanisms for clients to review voting recommendations	🔒	n/a
AOS 16	Involvement in projects to improve voting trail and obtaining confirmation	🔒	n/a
AOS 17	Sharing ESG information on companies with clients	✓	Public
AOS End		✓	-

## Investment Consultancy

Indicator	Short description	Status	Disclosure
IC 01	Advisory and consultancy services	✓	Public
IC 02	Assets under advisement	✓	Private
IC 03	Fiduciary manager services	✓	Public
IC 04	ESG in contracts with clients	✓	Public
IC 05	Custodian services	🔒	n/a
IC 06	RI and ESG in clients' investment policy development	✓	Public
IC 07	ESG incorporation into strategic asset allocation	🔒	n/a
IC 08	Scenario analysis and/or modelling	🔒	n/a
IC 09	Demonstrating value on asset allocation	🔒	n/a
IC 10	Investment research activities	🔒	n/a
IC 11	Demonstrating value on investment research	🔒	n/a
IC 12	ESG in manager selection, appointment and monitoring	🔒	n/a
IC 13	Manager selection activities	🔒	n/a
IC 14	Incorporating asset owners' investment principles in selection of manager	🔒	n/a
IC 15	ESG in selection due diligence	🔒	n/a
IC 16	Monitoring investment managers on ESG	🔒	n/a
IC 17	Reporting back to asset owners	🔒	n/a
IC 18	Demonstrating value on manager selection, appointment and monitoring	🔒	n/a
IC 19	ESG in manager selection, appointment and monitoring	✓	Public
IC End		✓	-

## Confidence building measures

Indicator	Short description	Status	Disclosure
CM1 01	Other product offerings, processes and/or activities	-	n/a
CM1 02	Assurance of responses	✓	Private
CM1 End	Module confirmation page	✓	-

# Engagement International

## Reported Information

## Public version

## Organisational Overview

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Basic Information

OO 01

Mandatory

Public

Descriptive

OO 01.1 Select the location of your organisation's headquarters.

Denmark

OO 01.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

OO 01.3 Indicate the regions where you have offices.

- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

OO 01.4 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

6

## Reporting Year

OO 02

Mandatory

Public

Descriptive

OO 02.1 Indicate the year end date for your reporting year.

31/12/2019

## Signatory category and services

OO 03

Mandatory

Public

Gateway

OO 03.1

Indicate which of the following categories reflect your core offering or main business activity:

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data Provision
- Other, specify (1)
- Other, specify(2)

OO 03.2

Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- Reporting
- Research and Data provision
- Other, specify (3)
- Other, specify (4)
- None of the above

OO 03.4

Additional information [OPTIONAL]

Engagement International is an independent ESG (environmental, social and corporate governance) engagement provider, serving institutional investors to be active responsible owners through corporate engagement dialogues. The fact that Engagement International is not involved in any own investment activities enables independence and professionally representing clients' interests during engagement dialogues with the companies the clients invest in.

Engagement International is collaborating with MSCI ESG Research and developed various sets of ratings for evaluating a company's management efforts on ESG incidents, material ESG issues, general sustainability and corporate governance setup, as well as selected E, S or G themes such as systemic matters like climate change and corporate tax. The purpose is to reflect a company's current status of ESG risks & opportunities, as well as the management thereof, to measure how much and in which direction progress has been achieved since day one of the engagement.

Based on a combination of ESG data, insights collected during the engagement dialogues together with the underlying proprietary milestone assessment's KPIs, Engagement International provides the clients with clear and visible results of the engagements conducted on their behalf with portfolio companies around the world via face to face meetings, conference calls and emails. The created client portfolio reports together with the company engagement reports and investment signal reports indicate each client the extent to which a company in her/his portfolio is aligned with the client's commitment to responsible investment.

In addition to Engagement International's main business activity of providing engagement services to institutional investors like just described, Engagement International also supports clients with bespoke solutions, e.g. to the clients' own engagement efforts.

Engagement International's responsible investment consulting may cover all elements of full-service engagement: 1) helping clients with formulating a responsible investment policy and advising on the corresponding necessary set up, 2) providing due diligence of client portfolios twice a year, 3) conducting engagement dialogues (as described above), 4) engaging with the clients' stakeholders such as beneficiaries, asset managers, media etc., and 5) assisting clients with their responsible investment related reporting obligations.

Last but not least, in collaboration with the partner Minerva Analytics, Engagement International is also offering proxy voting services and voting recommendations for AGMs to clients, as well as monitoring of the clients' asset managers' investment decisions and AGM voting behavior.



Business Area	ESG as a supplementary service	ESG integrated in services	No ESG
Active Ownership Services	<div style="background-color: #0072bc; color: white; padding: 5px;">Active Ownership Services - ESG as supplementary service</div> <p>0</p>	<div style="background-color: #0072bc; color: white; padding: 5px;">Active Ownership Services - ESG integrated in services</div> <p>90</p>	<div style="background-color: #0072bc; color: white; padding: 5px;">Active Ownership Services - No ESG</div> <p>0</p>
Investment Consultancy	<div style="background-color: #0072bc; color: white; padding: 5px;">Investment Consultancy - ESG as supplementary service</div> <p>0</p>	<div style="background-color: #0072bc; color: white; padding: 5px;">Investment Consultancy - ESG integrated in services</div> <p>10</p>	<div style="background-color: #0072bc; color: white; padding: 5px;">Investment Consultancy - No ESG</div> <p>0</p>
Total	<div style="background-color: #0072bc; color: white; padding: 5px;">% of total revenue is derived from ESG supplementary services</div> <p>0</p>	<div style="background-color: #0072bc; color: white; padding: 5px;">% of total revenue is derived from ESG integrated services</div> <p>100</p>	<div style="background-color: #0072bc; color: white; padding: 5px;">% of total revenue is derived from service with no ESG incorporation</div> <p>0</p>

<b>OO 05.2</b>	Indicate whether you promote the inclusion of ESG factors into investment decision making to your clients.
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- Yes, we systematically do
- Yes, we occasionally do
- No, we do not

# Engagement International

## Reported Information

### Public version

### Strategy and Governance

## PRI disclaimer

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## Policy on ESG beliefs

SG 01

Mandatory

Public

Gateway

SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

As a signatory of the PRI, Engagement International believes in the importance and value of incorporating environmental, social and corporate governance (ESG) factors in investment decisions. Active ownership engagement and investment consulting services are the main responsible investment solutions that Engagement International is providing to pension funds, municipalities, foundations and other institutional investors. Internationally recognised guidelines and responsible investment practices, ESG and corporate sustainability standards are embedded in the underlying methodology to guide operational procedures as well as quality assurance of the deliverables to clients.

Engagement International is collaborating with MSCI ESG Research and developed various sets of ratings for evaluating a company's management efforts on ESG incidents, material ESG issues, general sustainability and corporate governance setup, as well as selected E, S or G themes such as systemic matters like climate change and corporate tax. The purpose is to reflect a company's current status of ESG risks & opportunities, as well as the management thereof, to measure how much and in which direction progress has been achieved since day one of the engagement. Based on a combination of ESG data, insights collected during the engagement dialogues together with the underlying proprietary milestone assessment's KPIs, Engagement International provides the clients with clear and visible results of the engagements conducted on their behalf with portfolio companies around the world via face to face meetings, conference calls and emails. The created client portfolio reports together with the company engagement reports and investment signal reports indicate each client the extent to which a company in her/his portfolio is aligned with the client's commitment to responsible investment.

Engagement International's responsible investment consulting may cover all elements of full-service engagement: 1) helping clients with formulating a responsible investment policy and advising on the corresponding necessary set up, 2) providing due diligence of client portfolios twice a year, 3) conducting engagement dialogues (as outlined above), 4) engaging with the clients' stakeholders such as beneficiaries, asset managers, media etc., and 5) assisting clients with their responsible investment related reporting obligations. Last but not least, in collaboration with the partner Minerva Analytics, Engagement International is also offering proxy voting services and voting recommendations for AGMs to clients as well as monitoring of the clients' asset managers' investment decisions and AGM voting behaviour. In addition to Engagement International's main business activity of providing engagement services to institutional investors like just described, Engagement International also offers bespoke solutions, e.g. to support the clients' own engagement efforts.

All services have in common that they enable the clients to become part of a solution to the world's sustainability challenges instead of fuelling problems. This way, stewardship creates long-term financial value and a licence to operate among the clients' stakeholders.

SG 01.2

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

SG 01.3

Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

### Policy components/types

Policy setting out your overall ESG/RI approach

Public availability

URL

URL

<https://engage-int.com/solutions/>

Attachment

Not publicly available

Formalised guidelines on environmental factors

Public availability

URL

URL

<https://engage-int.com/solutions/>

Attachment

Not publicly available

Formalised guidelines on social factors

Public availability

URL

URL

<https://engage-int.com/solutions/>

Attachment

Not publicly available

Formalised guidelines on corporate governance factors

Public availability

URL

URL

<https://engage-int.com/solutions/>

Attachment

Not publicly available

Formalised guidelines on engagement approach

Public availability

URL

URL

<https://engage-int.com/methodology/>

- Attachment
- Not publicly available
- Formalised guidelines on (proxy) voting approach
- Other, specify (1)
- Other, specify (2)
- None of the above

**SG 01.4**

Indicate how these are put into practice internally across the organisation.

- Regular employee training on RI/ESG
  - Regular RI/ESG policy awareness building for employees
  - Establishment of policy review committee/team
  - Remuneration linked to achieving ESG objectives
  - Annual performance incentives
  - Other, specify (1)
  - Other, specify (2)
  - Other, specify (3)
- No

**SG 02**

**Mandatory**

**Public**

**Descriptive**

**SG 02.1**

Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.

- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)  
     **OECD Responsible Business Conduct for Institutional Investors**
- Other, specify (2)  
     **Danish Guidelines for Responsible Investments and Active Ownership**
- Other, specify (3)  
     **Recommendations by the Task Force on Climate-related Financial Disclosures**
- None of the above

**SG 03****Mandatory****Public****Descriptive****SG 03.1**

Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.

	Off the shelf	Tailored
Asset class-specific RI guidelines	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input type="checkbox"/>
Screening/exclusions policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
(Proxy) voting policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conflict of interest management policy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Stockbroker allocation policy	<input type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SG 03.2**

Provide a brief description of the key elements, any variations, or exceptions applying to these policies.

Engagement International supports institutional investors to formulate and implement a formal policy on engagement and responsible investment, based on internationally recognised norms and guidelines such as the OECD Guidelines for Multinational Enterprises, the OECD Responsible Business Conduct for Institutional Investors, the UN Guiding Principles for Business and Human Rights, the PRI, the UN Global Compact, the Paris Agreement, the United Nation's Sustainable Development Goals, the Danish Guidelines for Responsible Investments and Active Ownership, the European Shareholder Rights Directive, the Task Force on Climate-related Financial Disclosure (TCFD) as well as each client's own values and investment beliefs.

**SG 04**
**Mandatory**
**Public**
**Descriptive**

**SG 04.1**

Briefly describe how you include ESG/RI factors as part of your business offerings.

**Business area****Active Ownership Services****How you include ESG/RI factors**

Engagement International serves institutional investors to be active responsible owners through corporate engagement dialogues with portfolio companies for encouraging these companies to improve managing their environmental, social and corporate governance (ESG) risks & opportunities. Data from MSCI ESG Research, direct input from company dialogues and public sources are used to assess the clients' portfolio companies. Internationally recognised responsible investment practices as well as ESG and corporate sustainability standards are embedded in Engagement International's proprietary company rating methodology, operational engagement procedures and quality assurance of client deliverables. The created client portfolio reports together with the company engagement reports and investment signal reports indicate each client the extent to which a company in her/his portfolio is aligned with the client's commitment to responsible investment.

**Investment Consultancy****How you include ESG/RI factors**

Engagement International supports institutional investors with full-service engagement offerings as well as bespoke solutions e.g. to clients' own ESG engagement efforts.

The responsible investment consulting may cover: 1) helping clients with formulating a responsible investment and active ownership policy and advising on the corresponding set up, 2) providing ESG due diligence of client portfolios twice a year, 3) conducting ESG engagement dialogues (as outlined above), 4) engaging with the clients' stakeholders such as beneficiaries, asset managers, media etc., and 5) assisting clients with their responsible investment related reporting obligations. Last but not least, in collaboration with the partner Minerva Analytics, Engagement International is offering ESG proxy voting services and voting recommendations for AGMs to clients as well as monitoring of the clients' asset managers' investment decisions and AGM voting behaviour.

Internationally recognised responsible investment practices as well as ESG and corporate sustainability standards are embedded in Engagement International's consulting services, proprietary company rating methodology, operational engagement procedures and quality assurance of client deliverables.

**SG 04.2**

Indicate the roles in your organisation, and indicate for each whether they have oversight and/or implementation responsibilities for ESG/RI within the organisation.



Roles present in your organisation	Oversight/accountability for ESG/RI	Implementation of ESG/RI
Board	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Directors	<input type="checkbox"/>	<input type="checkbox"/>
Chief Executive Officer (CEO), Chief Financial Officer (CFO)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Chief Operating Officer (COO), Chief Information Officer (CIO)	<input type="checkbox"/>	<input type="checkbox"/>
Other chief-level staff	<input type="checkbox"/>	<input type="checkbox"/>
Other heads of department	<input type="checkbox"/>	<input type="checkbox"/>
Dedicated ESG/RI staff	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other role, specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other role, specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SG 04.3**

Indicate how you ensure ESG/RI expertise for the roles where there are RI oversight/accountability or implementation responsibilities.

- Staff training on ESG/RI incorporation
- Including ESG/RI knowledge factors in personal development goals
- Having development plans that aim to enhance ESG/RI knowledge of certain departments/teams/individuals
- Including ESG in selection requirements when hiring new employees
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)

**SG 04.4** Indicate whether your organisation has any ESG/RI linked incentives for its employees.

- Yes
- No
- Not applicable, we ensure that employees incorporate ESG/RI into services through other mechanisms.

**SG 04.7** Additional information [OPTIONAL]

The Code of Ethics provides guidance for Engagement International's team members on how to handle business activities in an appropriate manner to ensure sound corporate governance and professionalism throughout the organisation. At the operational level, Engagement International's engagement methodology and underlying assessment frameworks structure how to incorporate ESG factors into each step of the offered solutions to clients, including the consulting and quality assurance processes.

**SG 05**

**Mandatory to Report Voluntary to Disclose**

**Public**

**Descriptive**

**SG 05.1** Indicate whether you outsource some of your services. Report percentage of services outsourced as percentage for that specific business area.

**Business area**

- Active Ownership Services
- Investment Consultancy
- None of the above

**SG 06**

**Mandatory**

**Public**

**Descriptive**

**SG 06.1** Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.

- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- Other, specify (4)
- None of the above

**SG 07**

**Mandatory**

**Public**

**Descriptive**

**SG 07.1**

Describe how your organisation applies, advances and promotes the PRI Principles.

Engagement International is a signatory of the PRI, fully adheres to the PRI Principles and recommends the PRI Principles to clients and prospects alike. Hence, engagement is considered as active ownership like stated under PRI Principle 2: institutional investors' efforts to encourage companies they invest in to become more responsible in managing their material ESG (environmental, social and corporate governance) issues, risks and opportunities.

In addition to regularly joining the PRI in Person events, regional PRI signatory gatherings, other conferences and webinars, Engagement International is participating in several stakeholder consultations to advance active ownership and public policy when it comes to responsible investment.

Furthermore, best practice recommendations and information material developed by the PRI together with other signatories are often used as a point of reference during the engagement dialogues to showcase institutional investors' expectations of companies' ESG performance. Engagement International actively promotes the PRI Principles towards the clients' portfolio companies during engagement dialogues, but also beyond that, for instance, towards the wider public and media.

**SG 07.2**

Highlight whether there are any ways that your organisation would like to engage further with the PRI. [OPTIONAL]

Engagement International would be delighted to be represented in the PRI's Stewardship Advisory Committee and also become associated to the coalition Climate Action 100+. Due to the fact that Engagement International is engaging with companies around the world on responsible tax, climate-related lobbying and lobbying transparency, it would be highly appreciated if Engagement International could participate in the PRI's work on these subjects to share expertise and learn from peers while driving these important systemic engagement topics among the PRI signatory community. Last but not least, given that a part of Engagement International's team is based in Brussels, it would be an interesting opportunity to support the PRI's policy work on the EU's sustainable finance agenda as well.

**SG 08****Mandatory****Public****SG 08.1**

Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
- None of the above

**SG 09****Mandatory****Public****Descriptive**

**SG 09.1**

Indicate which of the following long-term trends are addressed in your product outputs.

- Changing demographics
- Climate change

**SG 09.2**

Explain how this long-term trend affects your product outputs.

The Paris Agreement demonstrates clear global consensus and commitment to limiting temperature rise to avoid irreversible damage by climate change. To transition into this low-carbon future, systemic changes to our way of energy production and consumption are required. One way of how Engagement International is offering institutional investors to support this, is to engage with those 100 listed companies around the world, which contribute the most to climate change in terms of potential emissions from fossil fuel reserves and current scope 1 and 2 CO2 emissions. This product is called Climate Top 100 and has served our clients since 2016, but meanwhile Engagement International also offers alternative engagement services with the focus on reducing portfolio companies' carbon emissions (please see <https://engage-int.com/solutions/>).

- Resource scarcity
- Technology developments
- Other, specify (1)

Mitigating global inequality via responsible corporate tax

**SG 09.2**

Explain how this long-term trend affects your product outputs.

Another example of where Engagement International's products & services help institutional investors addressing systemic global problems is the engagement work on corporate tax. When multinational companies apply aggressive tax strategies, it can lead to severe adverse impacts on several countries' achievement of the United Nation's Sustainable Development Goals (UN SDGs). Focusing on companies involved in controversial corporate tax practices, the engagement goal is to encourage them to adopt responsible tax strategies, in line with international guidelines and industry best practices, to ensure that effective governance structures and management measures are in place. The business case for institutional investors to engage with companies on aggressive tax planning is well documented in the PRI's engagement guidance. Aggressive tax planning can pose earnings risks, governance problems, reputational risks and brand value damage to listed companies. On an international scale, this can also lead to macroeconomic and societal distortions.

Last but not least, Engagement International also offers tailored E, S, G engagements for institutional investors to encourage their portfolio companies to address ESG controversies appropriately. Seeking improvements in the general sustainability management as well as enhancing the corporate approach towards the UN SDGs are covered by this type of engagement.

- Other, specify (2)
- None of the above

**SG 10****Mandatory****Public****SG 10.1**

Indicate whether you interact with asset owner clients.

- Yes, we do

**SG 10.2**

Indicate the typical frequency and type of interactions with your asset owner clients.

**Type of interaction**

- Board of trustee meetings
- Investment committee meetings
- Trustee training workshops
- Formal regular meetings outside of committee meetings

	Frequency
--	-----------

- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify
- Informal meetings or calls

	Frequency
--	-----------

- Daily
- Weekly
- Monthly
- Quarterly
- Bi-annually
- Annually
- Ad-hoc basis
- Other, specify
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- No, we do not

SG 11	Mandatory	Public	Descriptive
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<b>SG 11.1</b>	Describe how you typically align your organisation’s philosophy and approach to ESG/RI with your investor clients’ goals.
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- Describe
 

Typically, Engagement International shares with clients the commitment to internationally recognised responsible investment practices, ESG and corporate sustainability standards in general. This forms the basis of collaboration for the offered engagement solutions. In occasions, where a client faces a unique challenge, Engagement International would develop tailored engagement services and bespoke responsible investment solutions to meet the client's needs.
- This is not relevant for my organisation

SG 12	Mandatory	Public	Descriptive
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SG 12.1	Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.
---------	--

Describe

All of Engagement International's ESG recommendations are based on thorough analysis and robust methodology reflecting input data from MSCI ESG Research, public sources as well as company engagement dialogues. By providing timely and sufficient explanations to clients about the ESG recommendations (e.g. data sources, assessment rationale), mutual understanding and assisting the clients' informed decision making is promoted. Where recommendations might not be in line with the client's goals, Engagement International would seek dialogue, however, in acceptance that the ultimate di/investment decision is made by the client.

This is not relevant for my organisation

SG 13	Mandatory	Public	Descriptive
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SG 13.1	Indicate whether you seek feedback from clients on your RI/ESG services and product offerings
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Yes

SG 13.2	Describe how you use this feedback in your RI/ESG services and product offerings.
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Engagement International collects feedback from clients and other stakeholders via formal and informal dialogues about the offered responsible investment and ESG services, both, before, during and after the collaboration. The feedback will inform regular thorough internal review processes to consider open innovation projects or adjustments to, for example, the methodology or any operational procedures of the offered engagement solutions.

No

SG 14	Mandatory	Public	Descriptive
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SG 14.1	Indicate whether your organisation has a policy for managing potential conflicts of interest.
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Yes

SG 14.2	Describe how you manage potential conflicts of interest.
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The fact that Engagement International is not involved in any own investment activities enables Engagement International to be independent and professionally represent the clients' interests during engagement dialogues with their portfolio companies. The most common forms of conflicts of interest when it comes to stewardship are herewith avoided. On top of that, the existing Code of Ethics provides guidance on how all parts of Engagement International handle situations where conflicts of interests could occur in daily operations (please see [https://engage-int.com/wp-content/uploads/2020/03/EI-Code-of-Ethics\\_201905.pdf](https://engage-int.com/wp-content/uploads/2020/03/EI-Code-of-Ethics_201905.pdf)). Before joining the company, everybody is made aware of this Code and all employees have direct access to the senior management and the board members should matters of concern outside of the scope of the Code of Ethics arise.

**SG 14.3**

Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

Our preparedness regarding this is described in our Code of Ethics (see website).

No

# Engagement International

## Reported Information

### Public version

### Active Ownership Services

## PRI disclaimer

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## Active ownership services

AOS 01	Mandatory	Public	Gateway
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**AOS 01.1** Indicate which active ownership services are part of your business offerings. Tick all that apply.

- Engagement
- Voting

**AOS 01.2** Indicate which markets your organisation covers.

- Developed markets
- Emerging markets

AOS 02	Mandatory	Public	Descriptive
--------	-----------	--------	-------------

**AOS 02.1** Indicate where you acquire your ESG data and information.

- Regulatory sources
- Information from stakeholders and NGOs
- In-person meetings or calls with company, industry, municipality or government representatives
- Media reporting (including social media, blogs and similar)
- Primary data (self-reported from companies or other organisations)
- Secondary data (from ESG research provider databases)
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

**AOS 02.2** Describe how this information is used in your product/service offerings.

Primarily, Engagement International uses data from MSCI ESG Research, company reporting and engagement dialogues with the companies in the clients' portfolio. Other information by media, NGOs and other stakeholders are included supplementary to assess the companies' performance on different ESG issues, formulate engagement goals, monitor the engagement progress and deliver the portfolio company engagement reports and investment signals to the clients.

AOS 03	Voluntary	Public	Descriptive
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**AOS 03.1** Indicate whether you identify emerging ESG issues.

- Yes

**AOS 03.2** Describe how you identify emerging ESG issues.

Engagement International identifies emerging ESG issues via collaborating with MSCI ESG Research and the PRI as well as through dialogues with clients, industry peers and also during engagement with companies around the world.

**AOS 03.3** Describe some of the emerging ESG issues you have identified in this process.

For instance, lobbying transparency, data privacy and ownership, corporate tax responsibility and especially climate change impacts as well as the exposure to climate change related risks have been identified by Engagement International as emerging ESG issues.

No

## Engagement

**AOS 04**

**Mandatory**

**Public**

**Descriptive**

**AOS 04.1**

Describe how you select priority engagement topics to raise with companies and how you involve your clients in this process.

As a point of departure, Engagement International helps each client with formulating an engagement policy that corresponds to the client's individual values as well as international guidelines such as the UN Global Compact, OECD Guidelines for Multinational Enterprises, OECD Responsible Business Conduct for Institutional Investors, UN Guiding Principles on Business and Human Rights, PRI etc.. Subsequently, the client portfolio due diligence screening undertaken by Engagement International reflects the defined engagement policy and leads to identifying companies with engagement potential. In terms of content, potential engagement cases and topics flagged to the clients may cover companies that are, for instance:

- ° violating those norms that are laid out in the defined engagement policy, and/or causing adverse impacts to other international guidelines, for instance conflicting with the United Nation's Sustainable Development Goals, the Paris Agreement, or the Task Force on Climate-related Financial Disclosures,
- ° highly exposed to certain specific environmental, social and/or corporate governance (ESG) risks, and/or are attested a particularly low level of ESG risk & opportunity management.

When it comes to selecting the prioritisation of portfolio companies and topics for engagement, the client is given the ultimate choice. Here, the client may also decide whether she/he prefers to engage in collaboration together with other institutional investors among Engagement International's clients. This way, Engagement International gets mandated to engage with the client's prioritized portfolio companies on the client's preferred topics.

Two prominent examples of Engagement International's work on behalf of institutional investors during the latest PRI reporting period, are the engagements with those companies in the world which are contributing the most to climate change due to carbon emissions originating from fossil fuels, as well as the engagements with companies that are involved in controversial tax practices.

Beyond full-service engagements, Engagement International also offers bespoke engagement solutions to those clients, who need tailored support e.g. in their own engagement activities.

**AOS 04.2**

Describe how you define the objectives and milestones of the engagements and how you involve your clients in this process.

After the initial engagement policy formulation for the client in the beginning of the collaboration, following the client's selection of flagged portfolio companies and topics for engagement (as described in the previous paragraph), Engagement International is defining clear engagement goals for each engagement case it is mandated with by the institutional investor.

Before each of the engagement dialogues, Engagement International thoroughly assesses the company's ESG performance according to a structured underlying methodology. Engagement International developed various sets of sound KPIs and ratings for evaluating a company's ESG risks & opportunities and ESG management efforts to reflect a company's current status and to measure how much and in which direction it has progressed since day one of the engagement. The engagement progress is tracked along a set of 5 to 10 milestones, and after each bi-annual engagement dialogue Engagement International is adjusting the recommendations given to the company for improvement accordingly. The calculated investment signal, which accounts for a company's ESG risks & opportunities, ESG management level and engagement progress, indicates each client the extent to which a company in her/his portfolio is aligned with the client's commitment to responsible investment.

This way, Engagement International provides clients with clear and visible results of the engagements conducted on their behalf with portfolio companies around the world.

AOS 05.1	Indicate what channels you use to engage. Tick all that apply and indicate the frequency with which you typically use the channels.
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**Engagement type**

- Letters and e-mails

	Frequency
--	-----------

- In minority of cases
- In majority of cases
- In all cases

- Meetings and/or calls with board/senior management

	Frequency
--	-----------

- In minority of cases
- In majority of cases
- In all cases

- Meetings and/or calls with the CSR, IR or other management

	Frequency
--	-----------

- In minority of cases
- In majority of cases
- In all cases

- Visits to operations
- Visits to supplier(s) from the company's supply chain
- Other (1), specify

Company stakeholders such as public authorities, NGO's, unions etc.

	Frequency
--	-----------

- In minority of cases
- In majority of cases
- In all cases

- Other (2), specify
- Other (3), specify

AOS 05.2	Describe your typical execution method.
----------	---

Based on the formulated engagement goal and the selected engagement topics and portfolio companies in alignment with the client's responsible investment objectives, Engagement International thoroughly assesses the companies, creates a meeting agenda, and invites the selected companies via email to two engagements per year (either face-to-face meetings, conference calls, or email dialogues if the first options are not feasible). During these constructive conversations, the company representatives usually

respond to the raised agenda questions and present initiatives to tackle their material E, S, G issues upon which Engagement International recommends possible E, S, G management opportunities on behalf of the institutional investor/s. After each engagement dialogue, the companies are provided with a draft of their company engagement report for review before it is made available to Engagement International's clients. If companies repeatedly display no response or poor engagement progress, escalation steps apply. Engagement International's bi-annual reporting to clients includes client portfolio reports together with investment signals and company engagement reports.

AOS 06	Mandatory	Public	Descriptive
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AOS 06.1	Indicate from the options below the employee at the companies you typically engage with.
----------	--

**Employee level**

- Board members

Frequency
-----------

- In minority of cases
- In majority of cases
- In all cases

- Corporate secretary/general counsel

Frequency
-----------

- In minority of cases
- In majority of cases
- In all cases

- CEOs

Frequency
-----------

- In minority of cases
- In majority of cases
- In all cases

- Other C-level staff or heads of departments

Frequency
-----------

- In minority of cases
- In majority of cases
- In all cases

- Investor relations-teams

Frequency

- In minority of cases
- In majority of cases
- In all cases
- Sustainability/CSR team members

Frequency

- In minority of cases
- In majority of cases
- In all cases
- Non-management employees

Frequency

- In minority of cases
- In majority of cases
- In all cases
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

**AOS 06.2** Describe how you ensure the client’s rationale and engagement objectives are being communicated clearly to the company at the beginning and during the dialogue phase.

Based on the formulated engagement goal, the selected engagement topics and portfolio companies in alignment with the client’s responsible investment objectives, Engagement International thoroughly assesses the companies’ ESG performance, creates a meeting agenda, and invites the selected companies via email to two engagements per year (either face-to-face meetings, conference calls, or email dialogues). Before the engagement dialogue, the companies are provided with the agenda, where the client’s ESG concerns are already visible for the company to prepare the meeting. Engagement International provides the opportunity that, if desired, the client may participate in the engagement dialogue with her/his portfolio company. During these constructive conversations, the company representatives usually respond to the raised agenda questions and present initiatives to tackle their material E, S, G issues upon which Engagement International recommends possible E, S, G management opportunities on behalf of the institutional investor/s. After each engagement dialogue, the companies are provided with a draft of their company engagement report, which explicitly includes several recommendations to the company on behalf of the investors in written form, for review before it is made available to Engagement International’s clients.

**AOS 06.3** Describe the escalation strategies you take (or suggest that your clients take) when the engagement objectives are not achieved.

If necessary, Engagement International’s applies 10 escalation steps such as:  
 requesting an engagement dialogue with C-suite member/s,  
 a formal letter to the chairman of the board,  
 a formal letter to the CEO,  
 collaboration with other institutional investors and networks like the PRI, CA100+, IIGCC,  
 submitting a shareholder proposal for the AGM agenda,  
 proxy voting against management,  
 outreach to industry analysts and media,  
 engaging with other company stakeholders like NGOs, unions, academics,  
 public divestment warning,  
 divestment.

AOS 07	Mandatory	Public	Descriptive
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AOS 07.1	Indicate how you monitor the progress of engagements.
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- Define timelines/milestones for your objectives
- Track and/or monitor progress against defined objectives
- Track and/or monitor progress of actions taken when original objectives are not met
- Review and, if necessary, revise objectives on an ongoing basis
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)
- None of the above

AOS 07.2	Describe how you typically decide what recommendations for next steps to give to clients.
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- Yes, we do provide clients with recommendations for next steps

Based on the set engagement goal, Engagement International strictly follows the protocol of tracking the engagement progress according to the proprietary milestone system and investment signal together with the standard engagement escalation steps outlined in the previous paragraphs above. Controversial cases are discussed in a team before the recommendations to the client are defined.

- We do not provide clients with recommendations for next steps

AOS 08	Mandatory	Public	Descriptive
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AOS 08.1	Describe how you define success when evaluating/reviewing engagements on ESG factors.
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Engagement success is realized when Engagement International has achieved encouraging a company to live up to the defined ESG engagement goal so that a positive engagement progress towards the overall engagement outcome can be registered.

AOS 08.2	Describe how you measure success when evaluating/reviewing these engagements.
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The point of departure for measuring engagement success is the engagement goal, with which Engagement International is mandated by each client. Before each of the engagement dialogues with a client's portfolio company, Engagement International thoroughly assesses the company's ESG performance according to the underlying structured proprietary methodology. Engagement International developed various sets of sound KPIs and ratings for evaluating a company's ESG risks & opportunities and ESG management efforts to reflect a company's current status and to measure how much and in which direction it has progressed since day one of the engagement. The engagement progress is tracked along a set of 5 to 10 milestones and after each bi-annual engagement dialogue, Engagement International is adjusting the recommendations given to the company for improvement accordingly.

For example, when engaging with companies that contribute the most to climate change due to their CO2 emissions from fossil fuels (Climate Top 100), the engagement progress is mapped with the help of the following 10 milestones, each on a five-scale (A-E): recognition of climate-related risks & opportunities, commitment to the Paris Agreement, climate targets, climate change strategy, carbon emissions management, climate change adaptation, climate change-related governance, business & financial integration of climate matters, transparency, and performance.

In the end, the calculated investment signal, which accounts for a company's ESG risks & opportunities, ESG management level and engagement progress, indicates each client the extent to which a company in her/his portfolio is aligned with the client's commitment to responsible investment. This way,

Engagement International provides clients with clear and visible results of the engagements conducted on their behalf with portfolio companies around the world.

AOS 10	Voluntary	Public	Descriptive
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<b>AOS 10.1</b>	Indicate whether your organisation engaged with public policy makers and industry bodies on ESG engagement topics or regulatory/policy issues that could advance ESG engagement in the reporting year.
-----------------	--

- Yes, individually
- Yes, in collaboration with others
- No

<b>AOS 10.2</b>	Describe what ESG factors and/or regulatory/policy issues have informed your decisions to engage with policy makers and industry bodies. Provide examples.
-----------------	--

The Non-Financial Reporting Directive at EU level is an important policy file as it bears the opportunity to improve corporate reporting practices that lead to more transparency about the ESG performance towards investors, which Engagement International fully supports. Therefore, Engagement International shared expertise and insights with stakeholders such as the Alliance for Corporate Transparency and EFRAG.

Furthermore, Engagement International shared feedback with the PRI's EU policy team on the upcoming new sustainable finance policy agenda after the change of the European Commission's mandate. Last but not least, Engagement International was participating in the PRI's consultation on Active Ownership 2.0 to enhance professional best practices together with other PRI signatories when it comes to stewardship and engaging on systemic subjects such as corporate tax and climate change-related lobbying.

## Communication and sharing ESG information

AOS 17	Mandatory	Public	Descriptive
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<b>AOS 17.1</b>	Indicate whether you proactively disclose your engagement and/or voting outcomes to clients and the public.
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	Engagement
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	Clients
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- Disclosed quarterly or more frequently
- Disclosed biannually
- Disclosed annually
- Disclosed less frequently than annually
- Disclosed ad hoc/when requested

Public

- Disclosed quarterly or more frequently
- Disclosed biannually
- Disclosed annually
- Disclosed less frequently than annually
- Disclosed ad hoc/when requested

**AOS 17.2**

Indicate how you ensure all ESG information on companies gained as a result of engagement and/or voting activities is shared with clients.

Engagement

- We proactively ensure that all ESG information is made available.
- We share all ESG information upon request.
- We do not make any additional ESG information available.



# Engagement International

## Reported Information

### Public version

### Investment Consultancy

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## Investment Consultancy

IC 01

Mandatory

Public

Gateway

IC 01.1

Indicate whether your services include any of the following.

- Custodial services
- Investment policy development
- Strategic asset allocation
- Investment research
- Manager selection and monitoring
- Other, specify (1)
- Other, specify (2)

IC 01.2

Describe how you ensure that your clients understand your service offerings and fee structure.

Engagement International is explaining services and fee structure during conversations with prospects and existing clients as well as during presentations and upon request.

IC 03

Mandatory

Public

IC 03.1

Indicate whether you provide fiduciary management services.

- Yes, we do
- No, we do not

IC 04

Voluntary

Public

Descriptive

IC 04.1

Indicate whether you are asked to embed ESG consideration in contracts and/or business plans with clients.

- Yes, we typically are
- Yes, we occasionally are
- No, we are not
- Our organisation embeds ESG considerations in contracts as a standard procedure
- Not applicable

IC 04.2

If yes, describe how ESG considerations are incorporated into contracts with clients.

Every responsible investment advice and engagement service provided by Engagement International is focussing on ESG considerations. Non-ESG related stewardship or consulting services are not offered to any client.

## Investment policy development

IC 06	Mandatory	Public	Descriptive
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**IC 06.1** Indicate whether you incorporate ESG into your investment policy development services.

- Yes, we systematically do
- Yes, we occasionally do
- No, we do not. Plans exist to start incorporating ESG into our investment policy development services in the next reporting year
- No, we do not

**IC 06.2** Describe how you incorporate ESG factors and RI-considerations when advising clients on investment policy development.

- Reviewing clients' existing beliefs, investment strategy and policy in relation to ESG
- Aligning the investment policy with the client's overall ESG strategy and beliefs
- Helping clients define ESG investment objectives and incorporating them into policies
- Considering short-, mid- and long term time horizon of overall ESG objectives outlined in the investment policy
- Aligning the policy with the relevant ESG/RI regulations and public policies
- Determining the client's ESG risk-profile and materiality to inform the investment policy
- Providing education/training and case studies if the client has not publicly committed to an ESG strategy or beliefs, and seek to incorporate ESG in the client's investment policy
- Researching ESG trends, terminology and current debate to help create an up-to-date investment policy
- Comparing ESG investment policies of peers in the market
- Engaging the client organisations' executives, Board and any other stakeholders in the ESG investment policy development
- Outlining the internal governance structure responsible for overseeing and implementing the investment policy
- Other, specify (1)
- Other, specify (2)
- Other, specify (3)

**Manager selection and monitoring**

IC 19	Voluntary	Public	Descriptive
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**IC 19.1** Provide examples of cases where ESG was incorporated into your services.

**Service line**

- Investment policy development

## Case example

The collaboration with many of Engagement International's clients is kicked off by helping the client with formulating a responsible investment policy with a focus on active ownership when it comes to ESG matters. Depending on the concrete organisational set up of the client, Engagement International then either provides full-service engagement solutions or supplement's the client's stewardship needs e.g. via themed or E, S, G engagements (please see <https://engage-int.com/solutions/> for more information).

# Engagement International

## Reported Information

### Public version

### Confidence building measures

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