

ÖKOWORLD ENGAGEMENT STRATEGY

STATUS AT: OCTOBER 2013



ÖKOWORLD expects companies to not only be aware of the matters surrounding the greening and humanising of trade and commerce, but also to show specific evidence of their implementation within the company itself.

Hence ÖKOWORLD pursues an active engagement strategy and seeks open dialogue with companies. In this we perceive our influence as an investor as getting to know more about each company and stressing the importance of sustainable issues.

Engagement by ÖKOWORLD can be through various levels: current issues are raised with companies either verbally or in writing. In addition, we look for contact with companies at official engagements and conferences. Selected cases are followed up by a personal visit.

During the comprehensive analyses by the in-house Sustainability Research Team, direct contact is frequently made with companies. The motive for these discussions is to clarify any remaining open issues with companies being considered for investment from the ÖKOWORLD ÖKOVISION CLASSIC fund. This always involves targeting weak points in the company in relation to the comprehensive sustainability criteria of ÖKOWORLD ÖKOVISION CLASSIC.

Only a satisfactory answer to outstanding issues from the company in question will fulfil the ÖKOWORLD

transparency requirements. The answers are included in the overall assessment of the company by the independent Investment Committee. Where there are remaining shortfalls, these are addressed and the need for improvement expressed. Serious shortfalls will lead to the rejection or exclusion of a company.

We often hear from companies that the issues addressed by ÖKOWORLD are being raised with them for the first time. In this way we can achieve significant awareness for these sustainability matters for some companies. Companies have often taken ÖKOWORLD inquiries and information as the motive for increasing their sustainability coverage.

At the very start of the sustainability analysis it can be ascertained that a company will clearly violate the ÖKOWORLD ÖKOVISION CLASSIC sustainability criteria (e. g. nuclear power or defence companies). In such cases there is no engagement. A serious engagement as far as ÖKOWORLD ÖKOVISION CLASSIC sustainability criteria is concerned, would require that such companies abandon their business model. Basically, therefore, there can be no investment in these companies.

Due to the comprehensive sustainability criteria that ÖKOWORLD places on companies, we have not implemented any further specific voting processes. Furthermore, an internal survey in 2009 showed that a very small number of companies represented in the investment spectrum of ÖKOWORLD ÖKOVISION CLASSIC, actually discuss topics in relation to the ÖKOWORLD ÖKOVISION CLASSIC sustainability criteria at their general meetings.