



*As part of the development of the company's own Responsible Investment policy since its creation in 2018, Seeyond selected Institutional Shareholder Services (ISS), the world's leading provider of corporate governance and responsible investment, for its Collaborative Engagement policy.*

## ISS ESG's Pooled Engagement approach

ISS ESG's Pooled Engagement service supports institutional investors in their effort to constructively work with portfolio companies to manage or mitigate environmental and social risks.

### Initiating engagement

ISS ESG's Pooled Engagement service focuses on companies that are assessed under **Norm-Based Research** to be involved in alleged or verified severe, systematic or systemic failures to respect international norms. Engagement under the service is preceded by in-depth research and fact-finding dialogue with companies and stakeholders. Through a feasibility study, ISS ESG identifies gaps in company disclosure and whether the desired level of disclosure can be achieved through investor dialogue.

### Conducting effective engagement dialogue

ISS ESG's Pooled Engagement aims at building a relationship which is conducive to constructive dialogue through which investors may exercise influence. ISS ESG's Pooled Engagement approach encourages companies to elaborate on their efforts to design and implement better risk management systems at the operational level and to minimize the risk for recurrence of failures to adhere to international norms. ISS ESG seeks confirmation that the company has proven successful in implementing a genuine reduction in risk, with positive results for both management and operations. Engagement is therefore accompanied by clear and time-bound engagement goals, based on expectations on the company's ability to address shortcomings in the context of its specific business sector and relevant industry standards.

Because Pooled Engagement is rooted in an assessment of company responsiveness to ongoing controversies carried out under Norm-Based Research, it allows investors to voice concerns in a timely manner. This increases their possibilities to influence and provides concrete opportunities for companies to address the identified issues.

### Process for eliciting responses from non-responsive companies

Over time, responsiveness is noted with most companies with which engagement is sought. Others require repeated follow-ups to respond, and some steadfastly fail to respond to investor concerns. To address these challenges in communication, regular and courteous follow-up is built into ISS ESG's approach. Once every effort has been made to engage Investor Relations, the company CEO, and the company's Board, the feasibility of engagement is re-evaluated. In certain cases, where a company remains unresponsive to investors' efforts to exercise active ownership, engagement will be discontinued. e