

## Engagement at Osmosis

We believe we have a duty to deliver holistic outcomes for our clients that go far beyond the financial. Corporate climate change data, including carbon emissions, water consumption and waste generation, is explicitly integrated into our entire investment decision-making process.

Our active engagement program seeks to promote greater environmental transparency, more informed and robust disclosure and encourages companies and issuers to become more resource efficient over time.

Engagement allows us to:

Enhance the efficacy of our internal  
Research and Model of Resource  
Efficiency

Share our unparalleled expertise in the area of  
environmental disclosures with corporate  
practitioners

Improve sustainability reporting; promote  
better disclosure, transparency and  
resilience

Provide corporations with the tools and  
know-how to measure, manage and reduce  
their environmental footprint

## A+ 2020

Osmosis achieved top scores for individual and collaborative engagement from the PRI in this year's assessment.

[Click here for full report](#)

Osmosis has developed a clear expertise in resource efficiency, corporate environmental reporting and the correct understanding, interpretation and integration of environmental data into investment theory. Our core active engagement is centered around this expertise, sharing best reporting practice with companies, explaining the importance of the requested data, learning from companies how to best use the data and explaining any changes in the resource consumption data. Our expertise gives us a clear mandate to engage with companies on these topics. We also have various themed engagement projects throughout the year, examples include commitment to reduce emissions and adoption of Paris aligned targets or goals.

Osmosis is actively engaging with the wider investment community to share expertise and develop further understanding across the industry. We hope that our influence in this field will lead to more robust, transparent and environmentally resilient companies in the foreseeable future.

Our engagement work can be divided into four key areas

**1. Promoting improved disclosure and transparency on environmental issues**

Encouraging companies to develop more granular and robust sustainability reporting has been a long-term focus for Osmosis. We believe that a company that discloses its environmental footprint is more likely to manage, measure and reduce its impact. We engage with companies to discuss the materiality of their environmental data to the balance sheet, and the accuracy of their disclosure. As disclosure becomes more prevalent and more granular in nature, our funds will benefit from enhancements within the research model. We also interact with companies who are part of our target group but are not disclosing (sufficient) environmental data. Through regular non-disclosing campaigns and ad hoc company targeting we explain the importance of this data and the consequences of not reporting it.

**3. Collaborative Engagement and Industry Initiatives**

We recognise the benefits of working with like-minded peers to advocate for change at a broader market level. Osmosis maintains active relations with key organisations in the responsible investment community. We are part of an early practitioners' group on the EU Taxonomy with the UN PRI (United Nations Principles of Responsible Investment), serving as an unofficial try-out of the new proposed EU regulation on sustainable investment. We are part of GRI's (Global Reporting Initiative) technical expert group on waste, developing a new reporting standard for corporates. Additionally, Osmosis is a signatory of Climate Action 100+, and collaborates with the CDP (Carbon Disclosure Project) in regular non-disclosure campaigns, urging companies to disclose environmental data.

**2. Company/sector specific monitoring and research**

As part of our on-going analysis we identify company and sector specific matters that need further research or monitoring. We believe true expertise lies with the corporate practitioners. No one better understands the value of reported data, the best way to use and integrate the data and the company specific nature of the data better than the reporting company. By talking to a wide range of corporate experts about our research projects we try to construct a complete and nuanced image of how to assess a particular company's resource efficiency. Examples of this can be found in our mining waste research project and our water consumption in electricity generation project. As always, every activity is logged in our systems and can be queried.

**4. Active Ownership and Stewardship**

We operate a climate orientated voting policy across all of our pooled funds. The policy utilises independent proxy advisory firm ISS to promote our sustainable climate ambitions and support best practices in regard of all environmental, social and governance issues.

ISS' specialty Climate Voting Policy is based on principles consistent with good stewardship that incorporate specific climate change relevant information, flags, and voting recommendations, which institutional investors can use to apply their views on a portfolio company's climate performance and disclosure. In the case of individual mandates Osmosis works with investors, where desired, to ensure that their own individual proxy voting strategies are enacted.



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