



Press Release

Collaborative engagement of investors as an important contribution to the sustainable transformation of the economy

March 2024 - The final report of the "Engagement Platform" working group that was published today provides an overview of the potential of collective investor engagement. The Federal Government's Sustainable Finance Advisory Committee also highlights where legal uncertainties currently exist for collaborative investor engagement in Germany from a practical perspective.

By providing capital, investors have a special opportunity to influence their portfolio companies. This investor power grows the greater the financial stake in the company and is also suitable for achieving sustainability goals. At the same time, risk and return requirements must be considered. Scientific assessments assume that companies can be incentivised to behave more sustainably through engagement and, in particular, collaborative engagement.

Silke Stremlau, Chairwoman of the SFB, comments: *"The SFB sees great potential for more active shareholder behaviour in Germany. We are convinced that this will enable us to move companies more in the direction of sustainability and the transformation."*

Effective collaborative engagement requires investors to exchange information with each other and, in certain circumstances, reach agreements. These agreements can range from the non-binding discussion of certain topics to the agreement of a jointly coordinated approach to a portfolio company. The aim of investor engagement is to enter into a dialogue with the company management to support them in the sustainable alignment of the business strategy and to identify potential for improvement.

However, in order to fully utilise the potential of collective investor engagement in Germany, the SFB believes that there is a lack of clearer guidelines from regulators or legislators. The SFB discussed how these can be created with the Federal Financial Supervisory Authority (BaFin) and the relevant ministries.

In the working group's final report, the SFB also presents specific recommendations for the organisation of a platform for collaborative engagement in Germany. This should now be established outside the SFB within the given legal framework.

According to Michael Schmidt, head of the working group, *"thanks to the broad expertise of the working group, concrete solutions for more collaborative engagement in Germany could be developed. Legislators and market players can now use the results to catch up internationally."*

The full final report is available on the [website](#) of the Sustainable Finance Advisory Committee.

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The Sustainable Finance Advisory Committee

The German Sustainable Finance Advisory Committee advises the German Federal Government on sustainability aspects in the financial system. Consisting of 34 experts from the financial sector, the real economy, civil society and academia, and supported by 19 observers, it acts independently. It supports the German Federal Government in the implementation and further development of the German Sustainable Finance Strategy and advises relevant stakeholders on how to position themselves.