Building a European Coalition for Responsible Investment

Institutional investors of Europe, unite your engagement efforts on ESG!

Institutional investors, including pension funds, religious orders, endowments and foundations as well as investment funds and insurance companies, have a pivotal role in orienting the trajectory of economic development.

This is even more true in today's economy, which is subject to such changes as the ones connected to climate change and demographic dynamics and to such challenges as the ones highlighted by the Panama papers scandal, showing that it is not just the global tax system that is broken, but global governance itself.

As engaged shareholders, we can do our part. We can open an honest and positive dialogue with the corporations we invest in and stimulate the change. However, we rarely make use of this power at European level. Even when we do it, we tend to perform isolated and uncoordinated actions.

To address this issue, **Banca Popolare Etica** is promoting the creation of a **coalition of European institutional investors** to encourage collective shareholder engagement in Europe on environmental, social and governance topics of common interest.

To this aim, **Fondazione Culturale Responsabilità Etica** (FCRE or Cultural Foundation for Ethical Responsibility) is now engaging institutional investors like you, to verify your interest in taking part in this new venture.

Etica Sgr, the asset management company belonging to the Banca Etica Group, is already supporting the start-up of the initiative, that will be self-financed by the members' contributions.

We believe that it is time to unite our efforts and give birth to a new European platform on the model of the US based Interfaith Center on Corporate Responsibility (Iccr, www.iccr.org).
Be a founder of the new coalition and help shaping its governance, priorities and activities!

I am truly looking forward to your feedback,

Yours sincerely,
Ugo Biggieri
Chairman, Banca Popolare Etica

Ugo Biggieri

ABOUT THE COALITION

Mission

The mission of our coalition is to **organise institutional investors' dialogue** with listed European corporations, encouraging participation to annual general meetings and to other opportunities of communication between companies and shareholders **on social, environmental and governance issues**. In doing so, we aim to mobilise the power of investors to show to corporations the many benefits linked with the adoption of a sustainable and responsible conduct.

Main Objectives

Currently, the main objectives and goals for the project are:

1. **Creating** networking opportunities for active shareholders in Europe;
2. **Unlocking** the advantages of collective engagement on ESG to small shareholders;
3. **Encouraging** the participation of institutional investors in the dialogue on ESG topics and amplify their voice on topics of common interest;
4. **Identifying** the priorities of shareholders engagement at European level and build common campaigns on specific issues;
5. **Activating** links with civil society organisations;
6. **Stimulating** reactions on listed companies and the financial world;
7. **Lobbying** at European level in order to promote SRI and financial accountability.

Core ESG issues

The Coalition would like to focus its attention on a limited number of core issues.
At this stage, we are collecting your interest in being involved in coordinated actions on the following topics. Such topics will crucially depends on the overlapping agendas of the coalition members at the end of the recruiting activity.

1. Climate change

In the wake of COP 21 in Paris and the resulting agreement, we consider vital to keep the flame burning on this topic in order to stimulate a real and concrete course of actions.

2. Workers and human rights along companies' supply chain

To improve working conditions in production countries, prevent human rights abuses, modern slavery and local population displacements.

3. Tax avoidance and international corruption

To promote more transparency on the presence of subsidiaries in tax havens or countries that facilitate the creation of shell companies and to fight international corruption.

How the Coalition works

During the start-up phase (**until September 2016**), the Coalition's activities will be coordinated by Fondazione Culturale Responsabilità Etica. FCRE has the task to identify and recruit a significant base of interested potential members in order for the project to be feasible. The final shape and governance of the Coalition will be discussed and shared with all the members within the end of October.

Next steps
To express your interest in taking part in the project, if you have any questions or would like to discuss potential membership in more detail, please contact, till the end of August 2016:

Mr. Mauro Meggiolaro, Fondazione Culturale Responsabilità Etica
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About Banca Popolare Etica
Created in 1999, Banca Etica is the first bank focussed on ethical finance in Italy. It is based in Padua and has 18 branch offices (one of which in Spain). The bank's roots are to be found in the world of the third sector organisations and international cooperation. Banca Etica has a shared capital of €55.82m and savings amounting at ca. €1.1bn. The bank currently gives credit to more than 8,340 projects in the environmental and social sectors for a total amount of €877.85m (as of 30 April 2016).

About FCRE
Fcre (Cultural Foundation For Ethical Responsibility) was founded in 2003 by Banca Etica in order to spread awareness about ethical finance. Since 2008 the Foundation engages the Italian companies in the oil & gas and utility sectors as a critical shareholder.
The Foundation is based in Florence and Padua and is an affiliate member of ICCR (Interfaith Center on Corporate Responsibility, based in New York).

About Etica Sgr
Etica Sgr is the asset management company of Banca Etica. Since 2003 the company offers five SRI open mutual funds to retail and institutional investors for a total of over €2bn assets under management. Since 2005 Etica Sgr engages a number of Italian and European companies on social, environmental and governance issues.
Moreover Etica Sgr offers the ESG Advisory Service to institutional clients wishing to plan their financial investments in compliance with social and environmental criteria.
Etica Sgr is based in Milan and is an associate member of ICCR.