



LEA 02	Disclosures Monetary	Reason for interaction	Principle PRI 1,2,3
Individual/ internal staff engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	
Collaborative engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	
Service provider engagements	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	<p><input checked="" type="checkbox"/> To support investment decision-making in &amp; company's internal ESG issues</p> <p><input checked="" type="checkbox"/> To enhance corporate transparency for identifying the need to take action on</p> <p><input checked="" type="checkbox"/> To engage internal staff</p> <p><input type="checkbox"/> Other: specify</p> <p><input type="checkbox"/> We do not engage in internal staff</p>	

# RI TRANSPARENCY REPORT

## 2013/14

Etica SGR

## About this report

The PRI Reporting Framework is a key step in the journey towards building a common language and industry standard for reporting responsible investment (RI) activities. This RI Transparency Report is one of the key outputs of this Framework. Its primary objective is to enable signatory transparency on RI activities and facilitate dialogue between investors and their clients, beneficiaries and other stakeholders. A copy of this report will be publicly disclosed for all reporting signatories on the [PRI website](#), ensuring accountability of the PRI Initiative and its signatories.

This report is an export of the individual Signatory organisation's response to the PRI during the 2013-14 reporting cycle. It includes their responses to mandatory indicators, as well as responses to voluntary indicators the signatory has agreed to make public. The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is a **Principles index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

## Understanding the Principles Index

The Principles Index summarises the response status for the individual indicators and modules and shows how these relate to the six [Principles for Responsible Investment](#). It can be used by stakeholders as an 'at-a-glance' summary of reported information and to identify particular themes or areas of interest.

Indicators can refer to one or more Principles. Some indicators are not specific to any Principle. These are highlighted in the 'General' column. When multiple Principles are covered across numerous indicators, in order to avoid repetition, only the main Principle covered is highlighted. This results in some Principles not being explicitly highlighted. For instance, Principle 1 and 2 cannot be implemented without implementing Principle 3, but there are cases when Principle 3 is not explicitly highlighted.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator
Ⓜ	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

## PRI disclaimer

This document is based on information reported by signatories and responses have not been independently audited by the PRI Secretariat, PRI working groups, or any other third party. While this information is believed to be reliable, no representations or warranties are made as to its accuracy and no responsibility or liability can be accepted for any error or omission.

# Principles Index

Organisational Overview				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OO 01	Signatory category and services	✓	Public							✓
OO 02	Headquarters and operational countries	✓	Public							✓
OO 03	Subsidiaries that are separate PRI signatories	✓	Public							✓
OO 04	Reporting year and AUM	✓	Public							✓
OO 05	Breakdown of AUM by asset class	✓	n/a							✓
OO 06	How would you like to disclose your asset class mix	✓	Public							✓
OO 07	Segregated mandates or pooled funds	✓	Private							✓
OO 08	Breakdown of AUM by market	✓	Private							✓
OO 09	Additional information about organisation	✓	Private							✓
OO 10	RI activities for listed equities	✓	Public							✓
OO 11	RI activities in other asset classes	✓	Public							✓
OO 12	Modules and sections required to complete	✓	Public							✓

Overarching Approach				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
OA 01	RI policy and other guidance documents	✓	Public							✓
OA 02	Publicly available policies / documents	✓	Public						✓	
OA 03	Policy components and coverage	✓	Public	✓	✓					
OA 04	Conflicts of interest	✓	Public							✓
OA 05	RI goals and objectives	✓	Public							✓
OA 06	Main goals/objectives this year	✓	Private							✓
OA 07	Governance, management structures and RI processes	✓	Public							✓
OA 08	RI roles and responsibilities	✓	Public							✓
OA 09	RI in performance management, reward and/or personal development	✓	Private							✓
OA 10	Collaborative organisations / initiatives	✓	Public				✓	✓		
OA 11	Promoting RI independently	✓	Public				✓			
OA 12	Dialogue with public policy makers or standard setters	✓	Public				✓	✓	✓	
OA 13	ESG issues in strategic asset allocation	✓	Private	✓						
OA 14	Allocation of assets to environmental and social themed areas	✓	Private	✓						
OA 15	ESG issues for internally managed assets not reported in framework	🔒	n/a							✓
OA 16	ESG issues for externally managed assets not reported in framework	🔒	n/a							✓
OA 17	RI/ESG in execution and/or advisory services	🔒	n/a	✓	✓					
OA 18	Innovative features of approach to RI	✓	Private							✓
OA 19	Internal and external review and assurance of responses	✓	Private							✓

Indirect – Manager Selection, Appointment and Monitoring				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
SAM 01	Description of RI considerations	✓	Private	✓					✓	
SAM 02	Role of investment consultants	✓	Public				✓			
SAM 03	RI factors in selection, appointment and monitoring across asset classes	✓	Public							✓
SAM 04	Breakdown of passive, active quant and active fundamental	✓	Private							✓
SAM 05	ESG incorporation strategies	✓	Public	✓	✓					
SAM 06	Selection processes (listed assets)	✓	Public	✓						✓
SAM 07	Appointment considerations (listed assets)	✓	Private				✓			
SAM 08	Monitoring processes (listed assets)	✓	Public	✓						
SAM 09	Percentage of (proxy) votes cast	🔒	n/a		✓					
SAM 10	Selection processes (non-listed assets)	🔒	n/a	✓						✓
SAM 11	Appointment considerations (non-listed assets)	🔒	n/a				✓			
SAM 12	Monitoring processes (non-listed assets)	🔒	n/a	✓						✓
SAM 13	Description of RI considerations in 'other' asset classes	🔒	n/a	✓						✓
SAM 14	Percentage of externally managed assets managed by PRI signatories	✓	Private	✓						✓
SAM 15	Examples of ESG issues in selection, appointment and monitoring processes	✓	Private		✓					
SAM 16	Disclosure of RI considerations	✓	Public							✓

Direct - Listed Equity Active Ownership				Principle						General
Indicator	Short description	Status	Disclosure	1	2	3	4	5	6	
LEA 01	Description of approach to engagement	✓	Public		✓					
LEA 02	Reasoning for interaction on ESG issues	✓	Public	✓	✓	✓				
LEA 03	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 04	Objectives for engagement activities	✓	Public		✓					
LEA 05	Process for identifying and prioritising engagement activities	✓	Public		✓					
LEA 06	Objectives for engagement activities	✓	Public		✓					
LEA 07	Role in engagement process	🔒	n/a		✓		✓			
LEA 08	Monitor / discuss service provider information	🔒	n/a		✓					✓
LEA 09	Share insights from engagements with internal/external managers	✓	Private	✓	✓					
LEA 10	Tracking number of engagements	✓	Public		✓					
LEA 11	Number of companies engaged with, intensity of engagement and effort	✓	Private		✓					
LEA 12	Engagements on E, S and/or G issues	✓	Private		✓					
LEA 13	Companies changing practices / behaviour following engagement	✓	Public		✓					
LEA 14	Examples of ESG engagements	✓	Public		✓					
LEA 15	Disclosure of approach to ESG engagements	✓	Public		✓					✓
LEA 16	Description of approach to (proxy) voting	✓	Public		✓					
LEA 17	Typical approach to (proxy) voting decisions	✓	Public		✓					
LEA 18	Percentage of voting recommendations reviewed	🔒	n/a		✓					
LEA 19	Confirmation of votes	✓	Private		✓					
LEA 20	Securities lending programme	✓	Private		✓					
LEA 21	Informing companies of the rationale of abstaining/voting against management	✓	Public		✓					
LEA 22	Percentage of (proxy) votes cast	✓	Public		✓					
LEA 23	Proportion of ballot items that were for/against/abstentions	✓	Public		✓					
LEA 24	Shareholder resolutions	✓	Private		✓					
LEA 25	Examples of (proxy) voting activities	✓	Private		✓					
LEA 26	Disclosing voting activities	✓	Public		✓					✓

# Etica SGR

## Reported Information

## Public version

## Organisational Overview

### PRI disclaimer

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## Basic Information

OO 01

Mandatory

Gateway/Peering

General

OO 01.1 Select the services you offer.

Fund management

% of assets under management (AUM) in ranges

<10%

10-50%

>50%

Fund of funds, manager of managers, sub-advised products

Other, specify

Execution and advisory only services

OO 01.2 Additional information. [Optional]

Etica SGR is an Italian asset management company founded in 2000 which since 2003 is developing and promoting exclusively socially responsible investments, with the goal of representing ethical values among the financial markets. Etica SGR develops **4SRI funds** which are managed by an external asset management company, Anima SGR.

Etica SGR focuses its activities also on **engaging** companies, making them aware of socio-environmental impacts of their activities.

Etica SGR offers also **SRI advisory** services, such as portfolio ESG screening, to institutional clients.

Lastly Etica SGR offers an inclusive finance service through a guarantee **microcredit fund** which supports micro-entrepreneurial projects in Italy.

OO 02

Mandatory

Peering

General

OO 02.1 Select the location of your organisation's headquarters.

Italy

OO 02.2 Indicate the number of countries in which you have offices (including your headquarters).

1

2-5

6-10

>10

**OO 02.3** Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

17

**OO 02.4** Additional information. [Optional]

Etica SGR staff is composed also by 2 part-time employees.

**OO 03** **Mandatory** **Descriptive** **General**

**OO 03.1** Indicate whether you have subsidiaries within your organisation that are also PRI signatories in their own right.

- Yes
- No

**OO 04** **Mandatory** **Gateway/Peering** **General**

**OO 04.1** Indicate the year end date for your reporting year.

31/12/2013

**OO 04.2** Indicate your total AUM at the end of your reporting year.

	trillions	billions	millions	thousands	hundreds
Total AUM			783	361	744
Currency	EUR				
Assets in USD		1	031	839	459

**OO 04.3** Indicate the level of detail you would like to provide about your asset class mix.

- Approximate percentage breakdown to the nearest 5% (e.g. 45%)
- Broad ranges breakdown (i.e. <10%; 10-50%; >50%)

**OO 06** **Mandatory** **Descriptive** **General**

**OO 06.1** To contextualise your responses to the public, indicate how you would like to disclose your asset class mix.

- Publish our asset class mix as broad ranges

	Internally managed (%)	Externally managed (%)
--	------------------------	------------------------



Listed equity	0	10-50%
Fixed income – corporate	0	<10%
Fixed income – government	0	>50%
Fixed income – other	0	0
Private debt	0	0
Private equity	0	0
Property	0	0
Infrastructure	0	0
Commodities	0	0
Hedge funds	0	0
Forestry	0	0
Farmland	0	0
Inclusive finance	0	0
Cash	0	0
Other (1), specify	0	0
Other (2), specify	0	0

Publish our asset class mix as per attached file (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

**OO 06.2** Additional information. [Optional]

As of 31/12/2013 the breakdown of the AUM amounts to: listed equity 40%; fixed income corporate: 3%; fixed income government 56%.

**Gateway asset class implementation indicators**

<b>OO 10</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 10.1</b>	Select the responsible investment activities your organisation implemented, directly and/or indirectly, for listed equities in the reporting year.
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- We address ESG incorporation, engagement and/or (proxy) voting in our external manager selection, appointment and/or monitoring processes
- We engage with companies on ESG issues via our staff, collaborations or service providers
- We cast our (proxy) votes directly or via service providers
- None of the above

<b>OO 11</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 11.2</b>	Indicate if in the reporting year you addressed ESG incorporation and/or active ownership in your external manager selection, appointment and/or monitoring processes in the following externally managed asset classes.
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- Fixed income – corporate
- Fixed income – government
- None of the above

<b>OO 12</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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<b>OO 12.1</b>	The modules and sections that you will be required to complete are listed below. They are based on the percentages provided in your AUM breakdown and your responses to the gateway indicators. Note, you are only required to report on asset classes that represent 10% or more of your AUM. You may report voluntarily on any applicable modules or sections by selecting them from the list. Direct - Fixed Income and Infrastructure are always voluntary.
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**Core modules**

- Organisational Overview
- Overarching Approach (including assets which do not have a separate module)

**RI implementation directly or via service providers**

<b>OO 12.1.1</b>	Direct - Listed Equity active ownership
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- Engagements
- (Proxy) voting

**RI implementation via external managers**

<b>OO 12.1.2</b>	Indirect - Selection, Appointment and Monitoring of External Managers
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- Listed Equities
- Fixed Income - Corporate
- Fixed Income - Government

**Closing module**

- Closing module

**Note:** Please make sure your response to this indicator is complete and confirmed before you progress. Your response will determine which tailored modules and sections you will be presented with.

# Etica SGR

## Reported Information

## Public version

## Overarching Approach

### PRI disclaimer

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## Responsible investment policy

OA 01	Mandatory	Gateway/Core Assessed	General
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**OA 01.1** Indicate if you have a responsible investment policy.

- Yes
- No

**OA 01.2** Indicate if you have other guidance documents or more specific policies related to responsible investment.

- Yes
- No

**OA 01.3**

Provide a brief description of the key elements of your responsible investment policy or, if you do not have a policy, of your overall approach to responsible investment. [Optional]

Etica SGR assets under management are invested in companies and Countries selected according to both negative and positive ESG criteria.

Etica SGR research activity is based on external data providers specialized in ESG analysis and on an independent Ethics Committee which approves all the components of the investing universe.

According to negative criteria the **companies** which are involved in controversial activities (for instance military production, tobacco, gambling, nuclear energy) are excluded from the investing universe.

Companies which are not involved in any controversial activities are then evaluated through about 70 ESG criteria classified in the following 4 areas:

**Environment:** e.g. environmental certifications, environmental performance, energy efficiency, water consumption, biodiversity policies, etc.;

**Social:** e.g. health and safety, employees involvement, trade unions relationships, etc.;

**Human rights:** e.g. human rights policy, reporting, monitoring suppliers, etc.;

**Governance:** e.g. SEE risk management, chairman/CEO roles separation, code of ethics, percentage of independent directors in Board, etc.

Regarding **Countries** selection, Etica SGR excludes countries which don't guarantee political freedom and civil rights and maintain death penalty; the Countries which are not excluded are then evaluated through about 60 criteria, classified in the following 3 areas:

**Environment:** e.g. CO2 emissions, protected areas, deforestation rate, etc.;

**Social:** e.g. % of women in workforce, spending for public education, access to medical service, etc.;

**Governance:** e.g. press freedom, civil liberties, corruption perception, etc.;

Since September 2010 Etica SGR has developed an internal evaluation model which analyzes the corporate social responsibility strategies of Italian companies; the model is composed by 50 criteria, classified in 4 areas (corporate governance, human rights, environment, stakeholder relationships). These areas are weighted according to the presence in Countries considered as risky by human rights point of view and to the environmental impact of company activities.

During the analysis Etica SGR involves companies external stakeholders (such as environmental associations, human rights NGO's, international investors, etc.) and it contacts and meets directly the Italian Companies evaluated, in order to complete the analysis and to obtain information on specific issues.

**Since 2013 the whole ESG research process is certified by ISO9001.**

**OA 02****Mandatory****Core Assessed****PRI 6****OA 02.1**

Indicate if your responsible investment policy is publicly available.

Yes

**OA  
02.2**

Provide a URL to your responsible investment policy.

URL

<http://www.eticasgr.it/eng/cms/?plid=3&pid=65&ppid=3>

No

**OA 02.3**

Indicate if your other policies or guidance documents related to responsible investment are publicly available.

Yes

Yes, all

Yes, some

**OA  
02.4**

List these other policies or guidance documents related to responsible investment that are publicly available and their URLs.

Policy or document name	URL
Companies ESG analysis policy	<a href="http://www.eticasgr.it/eng/cms/?plid=3&amp;pid=68&amp;ppid=65">http://www.eticasgr.it/eng/cms/?plid=3&amp;pid=68&amp;ppid=65</a>
Countries ESG analysis policy	<a href="http://www.eticasgr.it/eng/cms/?plid=3&amp;pid=67&amp;ppid=65">http://www.eticasgr.it/eng/cms/?plid=3&amp;pid=67&amp;ppid=65</a>
Italian Companies ESG analysis policy	<a href="http://www.eticasgr.it/eng/cms/?plid=3&amp;pid=120&amp;ppid=65">http://www.eticasgr.it/eng/cms/?plid=3&amp;pid=120&amp;ppid=65</a>

No

**OA 03**

**Mandatory**

**Core Assessed**

**PRI 1,2**

**OA 03.1**

Indicate the components/types and coverage of your responsible investment policy and guidance documents.

Select all that apply

Policy components/types	Coverage by AUM
<input checked="" type="checkbox"/> Policy setting out your overall approach <input checked="" type="checkbox"/> (Proxy) voting policy <input checked="" type="checkbox"/> Engagement/active ownership policy <input checked="" type="checkbox"/> Specific guidelines on corporate governance <input checked="" type="checkbox"/> Specific guidelines on environmental issues <input checked="" type="checkbox"/> Specific guidelines on social issues <input type="checkbox"/> Asset class-specific guidelines <input checked="" type="checkbox"/> Screening/exclusion policy <input type="checkbox"/> Other, specify <input type="checkbox"/> Other, specify	<input checked="" type="radio"/> Applicable policies cover all AUM <input type="radio"/> Applicable policies cover a majority of AUM <input type="radio"/> Applicable policies cover a minority of AUM

OA 04	Mandatory	Core Assessed	General
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<b>OA 04.1</b>	Indicate if your organisation has a policy on managing potential conflicts of interest in the investment process.
<input checked="" type="radio"/> Yes <input type="radio"/> No	

## Objectives and strategies

OA 05	Mandatory	Gateway/Core Assessed	General
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<b>OA 05.1</b>	Indicate if your organisation sets objectives for its responsible investment activities.
<input checked="" type="radio"/> Yes	

<b>OA 05.2</b>	Indicate how frequently your organisation sets or revises objectives for responsible investment.
<input checked="" type="radio"/> At least once per year <input type="radio"/> Less than once per year	

<b>OA 05.3</b>	Indicate how frequently your organisation formally reviews performance against its objectives for responsible investment.
<input checked="" type="radio"/> Quarterly <input type="radio"/> Biannually <input type="radio"/> Annually <input type="radio"/> Every two years or less <input type="radio"/> It is not reviewed <input type="radio"/> No	

## Governance and human resources



OA 07	Voluntary	Descriptive	General
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OA 07.1	Provide a brief description of your organisation's governance, management structures and processes related to responsible investment.
---------	---

Etica SGR keeps internally both the SRI research and promotion of its funds and externalizes to Anima SGR the stock and bond picking according to economic and financial criteria. Etica SGR selects its eligible universe of both companies and Countries according to both exclusion and ESG best in class criteria.

From a governance point of view, there are an internal Research Committee and an Ethics Committee which both analyze the eligible universe and all engagement activities before submitting a final proposal to the Board of Directors.

The main steps of the process are the following: the Research Area of Etica SGR makes a proposal about the companies entering and exiting from the eligible universe as well as about proxy voting in Companies' AGM to the Research Committee, which is composed by the heads of each Etica SGR operation area. The decisions taken are then submitted to the Ethics Committee, composed by independent members. The proposal is then submitted for final approval to the Board of Directors.

I would like to attach an organisation chart (the following image formats can be uploaded: .jpg, .jpeg, .png, .bmp and .gif)

OA 08	Mandatory	Gateway/Core Assessed	General
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OA 08.1	Indicate the roles present in your organisation and for each, indicate whether they have oversight and/or implementation responsibilities for responsible investment.
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### Roles present in your organisation

- Board members or trustees
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Chief Executive Officer (CEO), Chief Investment Officer (CIO), Investment Committee
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other Chief-level staff or head of department, specify  
Research Committee and Ethics Committee

- Oversight/accountability for responsible investment
- Implementation of responsible investment
- No oversight/accountability or implementation responsibility for responsible investment
- Portfolio managers
- Investment analysts
- Dedicated responsible investment staff
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- External managers or service providers
  - Oversight/accountability for responsible investment
  - Implementation of responsible investment
  - No oversight/accountability or implementation responsibility for responsible investment
- Other role, specify
- Other role, specify

<b>OA 08.2</b>	Indicate the number of dedicated responsible investment staff your organisation has. [Optional]
----------------	---

Number
--------

4

<b>OA 08.3</b>	Additional information. [Optional]
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The Ethics Committee is composed by 9 members.

Their backgrounds are updated on <http://www.eticasgr.it/eng/cms/?plid=2&pid=41&ppid=39>

## Promoting responsible investment

<b>OA 10</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4,5</b>
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<b>OA 10.1</b>	Indicate if your organisation is a member of and/or participant in any collaborative organisation or initiatives that promote responsible investment.
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Yes

<b>OA 10.2</b>	Select the collaborative organisation and/or initiatives of which your organisation is a member or in which it participated during the reporting year, and the role you played.
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**Select all that apply**

- Asian Corporate Governance Association
- Association for Sustainable & Responsible Investment in Asia
- Australian Council of Superannuation Investors
- CDP Climate Change
- CDP Forests

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- CDP Water

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

- CFA Institute Centre for Financial Market Integrity
- Council of Institutional Investors (CII)
- Eumedion
- Extractive Industries Transparency Initiative (EITI)
- Global Investors Governance Network (GIGN)
- Global Real Estate Sustainability Benchmark (GRESB)
- Institutional Investors Group on Climate Change (IIGCC)
- Interfaith Center on Corporate Responsibility (ICCR)

Your organisation's role in the initiative during the reporting period (see definitions)

- Basic
- Moderate
- Advanced

Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]

**Etica SGR joins shareholders campaigns promoted by ICCR members and supports their resolutions in companies AGMs.**

- International Corporate Governance Network (ICGN)
- Investor Group on Climate Change, Australia/New Zealand (IGCC)
- Investor Network on Climate Risk (INCR)/CERES
- Local Authority Pension Fund Forum
- Principles for Responsible Investment

**Your organisation's role in the initiative during the reporting period (see definitions)**

- Basic
- Moderate
- Advanced

**Provide a brief commentary on the level of your organisation's involvement in the initiative. [Optional]**

Etica SGR joins shareholders campaigns promoted by PRI members.

- Regional or National Social Investment Forums (e.g. UKSIF, Eurosif, ASRIA, RIAA), specify

Since 2007 Etica SGR is a Forum per la Finanza Sostenibile (Italian SIF) member and, since 2010, it is associated even to EUROSIF.

**Your organisation's role in the initiative during the reporting period (see definitions)**

- Basic
- Moderate
- Advanced

- Shareholder Association for Research and Education (Share)
- United Nations Environmental Program Finance Initiative (UNEP FI)
- United Nations Global Compact
- Other collaborative organisation/initiative, specify

Since 2013 Etica SGR is an Organizational Stakeholder of Global Reporting Initiative

**Your organisation's role in the initiative during the reporting year (see definitions)**

- Basic
- Moderate
- Advanced

- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify
- Other collaborative organisation/initiative, specify

No

OA 11	Mandatory	Core Assessed	PRI 4
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**OA 11.1 Indicate if your organisation promotes responsible investment, independently of collaborative initiatives.**

Yes

**OA 11.2**

Indicate which of the following actions your organisation has taken to promote responsible investment, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, broker/dealers, investment consultants, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoke publicly at events and conferences to promote responsible investment
- Wrote and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Other, specify

No

**OA 11.3**

Additional information. [Optional]

Etica SGR promotes SRI culture within the Italian financial industry and it joins lobbying activities related to RI/ESG issue with government policy and industry regulators.

Etica SGR collaborates with many Italian universities in order to share ESG investment culture among students.

Etica SGR organizes public conferences and events in order to promote SRI awareness.

OA 12	Voluntary	Additional Assessed	PRI 4,5,6
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**OA 12.1**

Indicate if your organisation - individually or in collaboration with others - conducted dialogue with public policy makers or standard-setters in support of responsible investment in the reporting year.

Yes

- Yes, individually
- Yes, in collaboration with others

**OA 12.2**

Select the methods you have used.

- Endorsed written submissions to governments, regulators or standard-setters developed by others
- Drafted your own written submissions to governments, regulators or standard-setters
- Participated in face-to-face meetings with government members or officials to discuss policy
- Other, specify

**OA 12.3**

Where you have made written submissions (individually or collaboratively) to governments and regulatory authorities, indicate if these are publicly available.

Yes, publicly available

No

No

**OA 12.4**

Additional information.

Etica SGR publishes all campaigns supported on its website:  
<http://www.eticasgr.it/cms/?plid=5&pid=37&ppid=5>

# Etica SGR

## Reported Information

### Public version

#### Indirect – Manager Selection, Appointment and Monitoring

## PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

## Overview

<b>SAM 02</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 4</b>
---------------	------------------	----------------------	--------------

**SAM 02.1** Indicate if your organisation uses investment consultants and/or fiduciary managers in the selection, appointment and/or monitoring of external managers.

Yes

No

<b>SAM 03</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>General</b>
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**SAM 03.1** Indicate for which of the following externally managed asset classes your organisation, and/or your investment consultants, consider responsible investment factors in investment manager: (a) Selection, (b) Appointment (investment management agreements/contracts), and (c) Monitoring

Select all that apply

Asset classes	(a) Selection	(b) Appointment	(c) Monitoring
Listed equity	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - corporate	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Fixed income - government	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Listed equity (LE), fixed income corporate (FIC) and fixed income government (FIG)

## Overview

<b>SAM 05</b>	<b>Mandatory</b>	<b>Gateway</b>	<b>PRI 1,2</b>
---------------	------------------	----------------	----------------

**SAM 05.1** Indicate which of the following ESG incorporation strategies you encourage or require your external manager(s) to implement on your behalf:

Active investment strategies



Active investment strategies	LE	FIC	FIG
Screening	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thematic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**SAM  
05.2**

Indicate if - on your externally managed assets - you engage directly, via service providers, or via your external manager.

	LE	FIC
We engage directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>	<input type="checkbox"/>
We require our external managers to engage on our behalf	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>

**SAM  
05.3**

Indicate if - on your externally managed listed equities - you cast your (proxy) votes directly, via service providers, or via your external manager.

	LE
We cast our (proxy) votes directly or via service providers on our externally managed assets	<input checked="" type="checkbox"/>
We require our external managers to cast our (proxy) votes on our behalf	<input type="checkbox"/>
None of the above	<input type="checkbox"/>

<b>SAM 05.4</b>	Additional information. [Optional]
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## Selection

<b>SAM 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 1-6</b>
---------------	------------------	----------------------	----------------

<b>SAM 06.1</b>	Indicate whether your organisation, and/or your investment consultant, in the manager selection process for listed assets, typically do any of the following:
---------------------	---

	General
--	---------

	LE	FIC	FIG
Review the manager's responsible investment policies	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss managers' governance and management of responsible investment activities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Meet staff with responsible investment responsibilities to assess their skills and competence	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss minimum responsible investment expectations that managers must meet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the role managers have played in collaborative initiatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ask whether the organisation is a signatory to the PRI and/or other relevant organisations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's responsible investment reporting to clients and/or the public, including PRI reporting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the type of ESG reporting you expect	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assign specific weighting to ESG factors in your manager evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

	LE	FIC	FIG
Evaluate the quality and coverage of ESG research used by managers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Assess how the manager incentivises brokers to provide ESG research	<input type="checkbox"/>	n/a	n/a
Assess managers' ESG incorporation strategies and ability to identify and manage ESG issues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Discuss with managers how ESG issues have impacted specific investment decisions and, where relevant, stock or portfolio performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other ESG incorporation issues in your selection process, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Monitoring

SAM 08

Mandatory

Core Assessed

PRI 1

SAM  
08.1

Indicate whether your organisation, and/or your investment consultant, in the dialogue and monitoring of your external manager typically do any of the following:

General

	LE	FIC	FIG
Include responsible investment as a standard agenda item at performance review meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Highlight examples of good responsible investment practice by other managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the manager's responsible investment reporting, for example PRI-generated responsible investment reports	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Encourage your managers to consider joining responsible investment initiatives/organisations or participate in collaborative projects with other investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Include responsible investment criteria as a formal component of overall manager performance evaluation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other general aspects of your monitoring, specify	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### ESG incorporation

	LE	FIC	FIG
Request information on ESG incorporation in specific investment decisions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other ways you monitor ESG incorporation, specify	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you select any 'Other' option(s), specify

Etica SGR monthly meets with Anima SGR managers in order to have a comparison about their market views.

Moreover Etica SGR monthly checks that all the companies/Countries invested by the funds belong to the investing universe which Etica SGR sends six-monthly to Anima SGR.

### Communication

SAM 16	Mandatory	Core Assessed	PRI 6
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<b>SAM 16.1</b>	Indicate if your organisation proactively discloses any information about responsible investment considerations in your indirect investments.
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Yes, we disclose information publicly

provide URL
-------------

<http://www.eticasgr.it/eng/cms/?plid=3&pid=68&ppid=65>

provide URL
-------------

<http://www.eticasgr.it/eng/cms/?plid=3&pid=67&ppid=65>

<b>SAM 16.2</b>	Indicate if the level of information you disclose to the public is the same as that disclosed to clients and/or beneficiaries.
-----------------	--

Yes

<b>SAM 16.3</b>	Indicate what type of information your organisation proactively discloses to the public and clients and/or beneficiaries about your indirect investments.
-----------------	---

- How responsible investment considerations are included in manager selection, appointment and monitoring processes
- Details of the responsible investment activities carried out by managers on your behalf
- E, S and/or G impacts and outcomes that have resulted from your managers' investments and active ownership
- Other, specify

No

Yes, we disclose information to clients/beneficiaries only

We do not proactively disclose information to the public and/or clients/beneficiaries

<b>SAM 16.4</b>	Additional information. [Optional]
-----------------	------------------------------------

Etica SGR publishes on its website all the ESG criteria considered during the companies&Countries ESG selection.

Moreover Etica SGR quarterly discloses the full portfolio of its funds and some short ESG profiles of companies and Countries.

# Etica SGR

## Reported Information

### Public version

#### Direct - Listed Equity Active Ownership

## PRI disclaimer

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## Engagement

### Overview

LEA 01	Voluntary	Descriptive	PRI 2
LEA 01.1	Provide a brief overview of your organisation's approach to engagement.		

Etica SGR has an active engagement approach and, through dialoging with Italian and foreign companies and voting in their AGMs, is committed in making them aware of their socio-environmental impacts and in obtaining information about specific ESG topics.

All Etica SGR engagement activities have to be approved by its Ethics Committee and to be compliance with the "Guidelines of Shareholder Activism" developed in 2007, periodically updated and uploaded on [www.eticaSGR.it/public/doc/20121130152257.pdf](http://www.eticaSGR.it/public/doc/20121130152257.pdf).

Etica SGR belongs to international responsible investors networks, such as ICCR (Interfaith Center on Corporate Responsibility), composed by 300 faith based investors representing over 100 billion dollars, and PRI (Principles for Responsible Investment): through these networks, Etica SGR develops and strengthens its engagement activities.

Etica SGR engages companies through different strategies:

**Voting:** Etica SGR votes directly at Italian companies AGMs and through electronic voting platform at foreign ones; Etica SGR involves foreign responsible investors through supporting their shareholder resolutions and asking them to join Etica SGR actions with Italian companies;

**Making speeches:** during all Italian companies AGMs Etica SGR makes a speech about their socio-environmental performance, underlining the points of weakness and of improvement;

**ESG information requesting:** Etica SGR sends questionnaires to companies in order to obtain information about their ESG performance and to deepen any controversial issues. Etica SGR contacts companies even after their AGMs, in order to communicate them formally its voting intentions;

**Shareholders' campaigns:** Etica SGR joins shareholders campaigns promoted by international responsible investors networks, such as ICCR or PRI.

**As the ESG analysis process, all the Etica SGR engagement activities, since 2013, have been certified by ISO9001 model.**

LEA 02	Mandatory	Gateway	PRI 1,2,3
LEA 02.1	Indicate your reasons for interacting with companies on ESG issues and indicate who carries out these interactions.		



Type of engagement	Reason for interaction
<b>Individual/Internal staff engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via internal staff
<b>Collaborative engagements</b>	<input checked="" type="checkbox"/> To support investment decision-making (e.g. company research) <input checked="" type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input checked="" type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input type="checkbox"/> We do not engage via collaborative engagements
<b>Service provider engagements</b>	<input type="checkbox"/> To support investment decision-making (e.g. company research) <input type="checkbox"/> To influence corporate practice (or identify the need to influence) on ESG issues <input type="checkbox"/> To encourage improved ESG disclosure <input type="checkbox"/> Other, specify <input checked="" type="checkbox"/> We do not engage via service providers

## Process

### Process for engagements run internally

<b>LEA 03</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
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<b>LEA 03.1</b>	Indicate whether your organisation has a formal process for identifying and prioritising engagement activities carried out by internal staff.
-----------------	---

Yes

<b>LEA 03.2</b>	Describe how you identify and prioritise engagements.
-----------------	---

As the investing universe updating process, all the engagement activities have to be approved by Research Committee, Ethics Committee and finally by the Board of Directors of Etica SGR. Usually the engagement prioritise are chosen by the Research Committee and then discussed with the Ethics Committee.

No

LEA 04	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 04.1	Indicate if you define specific objectives for your engagement activities.
----------	--

- Yes
  - Yes, for all engagement activities
  - Yes, for the majority of engagement activities
  - Yes, for a minority of engagement activities
- No

LEA 04.2	Indicate if you monitor the actions that companies take following your engagements.
----------	---

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

LEA 04.3	Describe how you monitor and evaluate the progress of your engagement activities.
----------	---

Annually Etica SGR evaluates the improvements of the Companies which have been engaged during the previous year. Moreover Etica SGR sends questionnaires to companies in order to obtain information about their ESG performance and to deepen any controversial issues.

Etica SGR contacts companies even after their AGMs, in order to communicate them formally its voting intentions: the answers received are then discussed and evaluated by Etica SGR Research Area and by Ethics Committee.

- No

### Process for engagements conducted via collaborations

LEA 05	Mandatory	Core Assessed	PRI 2
--------	-----------	---------------	-------

LEA 05.1	Indicate whether your organisation has a formal process for identifying and prioritising collaborative engagements.
----------	---

- Yes

<b>LEA 05.2</b>	Describe how you identify and prioritise collaborative engagements.
-----------------	---

Periodically the Research Area monitors all the initiatives implemented by SRI investors networks and chooses the ones which should be supported. The information about the initiatives are evaluated by the Research Area through the networks platforms (as PRI Clearing House), conference call joining and mailing with other responsible investors.

Moreover Etica SGR prepares on its own engagement activities and it proposes them to ICCR and PRI members in order to collaborate actively.

As the internal managed engagement initiatives, all collaborative engagements have to be approved by Research Committee, Ethics Committee and finally by the Board of Directors of Etica SGR.

No

<b>LEA 06</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2</b>
---------------	------------------	----------------------	--------------

<b>LEA 06.1</b>	Indicate if the collaborative engagements in which you are involved have defined objectives.
-----------------	--

- Yes
  - Yes, for all collaborative engagement activities
  - Yes, for the majority of collaborative engagement activities
  - Yes, for a minority of collaborative engagement activities
- No

<b>LEA 06.2</b>	Indicate if you monitor the actions companies take following your collaborative engagements.
-----------------	--

- Yes
  - Yes, in all cases
  - Yes, in the majority of cases
  - Yes, in the minority of cases

<b>LEA 06.3</b>	Describe how you monitor and evaluate the progress of your collaborative engagement activities.
-----------------	---

Etica SGR contacts directly the companies, monitors the networks platforms and joins the calls arranged by the investors.

Etica SGR periodically reports to the Ethics Committee the initiatives updating and the companies improvements.

No

## General processes for all three groups of engagers

LEA 10	Mandatory	Gateway/Core Assessed	PRI 2
--------	-----------	-----------------------	-------

LEA 10.1	Indicate if you track the number of companies you engage with.
----------	--

Type of engagement	Tracking engagements
<b>Individual / Internal staff engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements
<b>Collaborative engagements</b>	<input checked="" type="radio"/> Yes, we track the number of our engagements in full <input type="radio"/> Yes, we partially track the number of our engagements <input type="radio"/> No, we do not track our engagements but can provide a reasonable estimate of our engagement numbers <input type="radio"/> No, we do not track and cannot estimate our engagements

## Outputs and outcomes

LEA 13	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 13.1	Indicate whether you have a reliable estimate of the number of cases during the reporting year where a company has changed its practices, or made a commitment to do so, following your organisation's and/or your service provider's engagement activities.
----------	--

Yes

LEA 13.2	Indicate the number of companies that changed or committed to change in the reporting year following your organisation's and/or your service provider's engagement activities.
----------	--

	Number of company changes or commitments to change
Individual / Internal staff engagements	1
Collaborative engagements	

No

LEA  
13.3

Additional information.

In 2012 Etica SGR, during the AGM of Yoox, an Italian on-line fashion retailer, invited the management to begin to undertake a process of social and environmental reporting. Yoox Chairman promised to Etica SGR that the company would have started reporting as early as 2012. In 2013 Yoox presented its first Sustainability Report, already detailed and compliance with the level B+ of the Guidelines of GRI.

Many Italian companies engaged have stated to Etica SGR formal commitments in improving their CSR practices, such as about sustainability reporting and human rights policies.

LEA 14

Voluntary

Descriptive

PRI 2

LEA  
14.1

Provide examples of the engagements that your organisation carried out during the reporting year.

- Add Example 1
- Add Example 2
- Add Example 3
- Add Example 4
- Add Example 5
- Add Example 6
- Add Example 7
- Add Example 8
- Add Example 9
- Add Example 10

LEA  
14.2

Additional information.

In 2013 Etica SGR joined 6 Italian Companies AGMs (Snam, Piaggio, Prysmian, Yoox, Indesit, Terna) and 9 foreign ones (Straumann, Carrefour, Sanofi, Intel, Tesco, General Mills, Conagra, Symantec, Cisco Systems).

During all Italian Companies AGMs, Etica SGR had a speech, which has been co-signed by other responsible investors.

The main issues proposed to the companies have been: human rights policy and reporting, supply chain monitoring, transparency in remuneration plans, dividends policy, political parties donations. Moreover Etica SGR supported 2 resolutions proposed by ICCR network about responsible packaging and management significant stock retention.

All Etica SGR 2013 engagement activities and proxy voting are disclosed on <http://www.eticasgr.it/eng/cms/?plid=3&pid=132&ppid=69>

## Communication

LEA 15

Mandatory

Core Assessed

PRI 2,6

LEA  
15.1

Indicate whether your organisation proactively discloses information on its engagements.

- We disclose it publicly

please provide URL

<http://www.eticasgr.it/eng/cms/?plid=3&pid=132&ppid=69>

please provide URL

<http://www.eticasgr.it/public/doc/201310091756550.pdf>

LEA  
15.2

Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.

- Yes

LEA  
15.3

Indicate what engagement information your organisation proactively discloses to clients/beneficiaries and/or the public.

Engagement information disclosed

- Details of the selections, priorities and specific goals of engagement
- Number of engagements
- Breakdown of engagements by type/topic
- Breakdown of engagements by region
- An assessment of the current status of the engagement
- Outcomes that have been achieved from the engagement
- Other information

LEA  
15.4

Indicate how frequently you typically report engagements information.

- Disclosed continuously (prior and post engagements)
- Disclosed quarterly
- Disclosed annually
- Disclosed every two years or less
- Other, specify
- No
- We disclose it to clients and/or beneficiaries only
- We do not proactively disclose it to the public and/or clients/beneficiaries.

LEA 15.6	Additional information. [Optional]
-------------	------------------------------------

In addition to the information published on the company website, Etica SGR discloses the engagement activities also in a specific report, called "Dialogue with companies", updated on [www.eticasgr.it/public/doc/201310091758000.pdf](http://www.eticasgr.it/public/doc/201310091758000.pdf).

## (Proxy) voting and shareholder resolutions

### Overview

LEA 16	Voluntary	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 16.1	Provide a brief overview of your organisation's approach to (proxy) voting (including the filing and/or co-filing of shareholder resolutions if applicable).
-------------	--

The ESG Research Area analyzes the companies reports and the AGMs materials; after that it proposes the voting intentions to the Research Committee. Then the intentions are sent to the Ethics Committee and finally to the Board of Directors for the final approval.

All the engagement activities have to comply with the Etica SGR Guidelines on Shareholder Activism, which have been approved by Etica SGR Ethics Committee and Board of Directors. These Guidelines are uploaded on [www.eticasgr.it/public/doc/20121130152257.pdf](http://www.eticasgr.it/public/doc/20121130152257.pdf)

### Process

LEA 17	Mandatory	Descriptive	PRI 2
--------	-----------	-------------	-------

LEA 17.1	Indicate how you typically make your (proxy) voting decisions and what this approach is based on.
-------------	---

Approach
----------

© We use our own research or voting team and make our own voting decisions without the use of service providers.

Based primarily on

- our own voting policy
- our clients requests or policy
- other, explain
- We hire service provider(s) which make voting recommendations or provide research that we use to inform our voting decisions.
- We hire service provider(s) which make voting decisions on our behalf, except for some pre-defined scenarios for which we review and make voting decisions.
- We hire service provider(s) which make voting decisions on our behalf.

**LEA 17.2** Additional information.[Optional]

Since 2013, Etica SGR refers to a proxy advisor which provides researches that are considered during the voting intentions development process.

**LEA 21** **Mandatory** **Core Assessed** **PRI 2**

**LEA 21.1** Indicate if you ensure that companies are informed of the rationale when you and/or the service providers acting on your behalf abstain or vote against management recommendations.

- Yes, in most cases
- Sometimes, in the following cases:
- No
- Not applicable as we and/or our service providers do not abstain or vote against management recommendations

**LEA 21.2** Additional information. [Optional]

Etica SGR contacts companies even after their AGMs, in order to communicate them formally its voting intentions.

**Outputs and outcomes**

**LEA 22** **Mandatory** **Core Assessed** **PRI 2**

**LEA 22.1** For listed equities where you and/or your service provider has the mandate to issue (proxy) voting instructions, indicate the percentage of votes cast during the reporting year.

- We do track or collect this information



Votes cast (to the nearest 1%)

%

19

Specify the basis on which this percentage is calculated




- of the total number of ballot items on which you could have issued instructions
- of the total number of company meetings at which you could have voted
- of the total value of your listed equity holdings on which you could have voted
- We do not track or collect this information

<b>LEA 23</b>	<b>Voluntary</b>	<b>Descriptive</b>	<b>PRI 2</b>
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**LEA 23.1** Indicate if you track the voting instructions that you and/or your third party have issued on your behalf.

- Yes, we track this information

**LEA 23.2** Of the voting instructions that you and/or third parties have issued on your behalf, indicate the proportion of ballot items that were:

Voting instructions	Breakdown as percentage of votes cast
For (supporting) management proposals	 <p>80</p>
Against (opposing) management proposals	 <p>12</p>
Abstentions	 <p>8</p>

100%

<b>LEA 23.3</b>	For the reporting year, describe your approach towards voting on shareholder resolutions.
-----------------	---

In 2013 Etica SGR filed a resolution through the supporting of the election of Prysmian auditors. The resolution has been promoted by a minority list composed by Assogestioni (Association of Italian Asset Management Companies) members.

Moreover in 2013 Etica SGR supported 2 resolutions proposed by ICCR network about responsible packaging (General Mills) and executives stock retention (Intel). Etica SGR also voted against 2 resolutions proposed by other investors about abstention voting counting (Conagra) and an advisor hiring (Cisco Systems).

No, we do not track this information

## Communication

<b>LEA 26</b>	<b>Mandatory</b>	<b>Core Assessed</b>	<b>PRI 2,6</b>
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<b>LEA 26.1</b>	Indicate if your organisation proactively discloses information on your voting activities.
-----------------	--

We disclose it publicly

provide URL
-------------

<http://www.eticasgr.it/eng/cms/?plid=3&pid=132&ppid=69>

provide URL
-------------

<http://www.eticasgr.it/public/doc/201310091756550.pdf>

<b>LEA 26.2</b>	Indicate if the information disclosed to the public is the same as that disclosed to clients/beneficiaries.
-----------------	---

Yes

<b>LEA 26.3</b>	Indicate the voting information your organisation proactively discloses to the public and/or to clients/beneficiaries.
-----------------	--

Indicate how much of your voting record you disclose

- All voting decisions
- Some voting decisions
- Only abstentions and opposing vote decisions
- Summary of votes only

Indicate what level of explanation you provide

- Explain all voting decisions
- Explain some voting decisions
- Only explain abstentions and votes against management
- No explanations provided

**LEA  
26.4**

Indicate how frequently you typically report voting information.

- Continuously (primarily before meetings)
- Continuously (soon after votes are cast)
- Quarterly or more frequently
- Between quarterly and annually
- Less frequently than annually
- Other, specify
- No
- We disclose it to clients/beneficiaries only
- We do not proactively disclose our voting activities to the public and/or to clients/beneficiaries

**LEA  
26.6**

Additional information. [Optional]

Etica SGR publishes on its website all engagement activities and it communicates them to its clients and other stakeholders through newsletters, specific documents and periodical funds' documentation.