

In 2020 Etica Funds signed the [Finance for Biodiversity Pledge](#), committing to 5 objectives. The commitment has been translated into the following activities for the year 2021.

Target	Activities realized by Etica
<p><b>1. Collaboration and knowledge sharing</b></p>	<ul style="list-style-type: none"> <li>• Participation in a <b>UN PRI</b> survey on the use of biodiversity data.</li> <li>• Participation at the <b>PRI Digital Forum</b>, in particular in the three webinars "<i>Mapping Natural Capital Depletion</i>", "<i>Climate &amp; Nature Action</i>" and "<i>Deforestation as a Systemic Risk</i>".</li> <li>• Participation in the two-day workshop organised by the Secretariat of the <b>Convention on Biological Diversity (CBD)</b> to bring institutions and the financial world together in a global dialogue in the run-up to the <b>UN Biodiversity Conference COP15</b>.</li> </ul>
<p><b>2. Engagement with companies</b></p>	<ul style="list-style-type: none"> <li>• Development of a specific workstream related to the areas of "<i>Deforestation and Land Use Change</i>" and "<i>Water</i>". Starting from the initial draft guidance on <b>SBT for Nature</b>, published by the <b>SBTN (Science Based Target Network)</b>, a monitoring activity of the companies invested with low <b>CDP (former Carbon Disclosure Project)</b> assessment on biodiversity-related targets was carried out. Of the <b>21 companies contacted</b>, <b>52.5% responded</b> to the questions sent.</li> </ul>
<p><b>3. Assessing impact</b></p>	<ul style="list-style-type: none"> <li>• In the <b>proprietary methodology</b> of the lines Valori Responsabili and Futuri Responsabili, there are <b>indicators relating to the issue of biodiversity</b>: issuers involved in serious <b>controversies</b> relating to the impact on biodiversity or the exploitation of ecosystems are excluded; while in the construction of the <b>ESG score</b> of the individual issuer, biodiversity is assessed by considering the commitments made on the issue, such as <i>the formalization of a policy or the presence of targets</i>; the processes implemented to fulfil these commitments, such as <i>training on the issue or the performance of scenario analyses and data monitoring</i>; the results obtained through the observation of specific KPIs. It also considers the presence of minor negative news on the topic.</li> </ul>
<p><b>4. Target setting</b></p>	<ul style="list-style-type: none"> <li>• Etica has set itself the goal of monitoring, through dialogue, all invested companies with a low <b>CDP</b> rating on biodiversity-related objectives, as just described in point 2.</li> </ul>
<p><b>5. Reporting publicly</b></p>	<ul style="list-style-type: none"> <li>• The impacts of issuer selection and engagement activity are reported annually in the Impact Report and Engagement Report, as well as in <b>this Pledge information box</b>.</li> </ul>