



SHAREHOLDERS *for* CHANGE

Charter of Values

“Shareholders for Change” network (SFC)

The **Shareholders for Change** network (**SFC**) is a group of institutional investors involved in active engagement with corporations to enhance a common social agenda as an essential element of their role as bond- and shareholders. In addition SFC will engage with institutions, proxy advisors, associations and other public or private organisations to support the development of sustainable financial markets and a global economy aligned with the Sustainable Development Goals (SDG) Framework.

Members of the SFC network are linked by a common vision as well as their shared values across a wide range of issues. These shared values are the focus of their common engagement activities and are an essential part of members’ own business practices.

Shared member values include:

A. SOCIAL ISSUES.

1. All human beings are born free and equal in dignity and rights.¹ Everyone is entitled to all the rights and freedoms set forth in the Universal Declaration of Human Rights, without distinction of any kind.²

2. Access to capital and credit should be responsibly granted to all individuals, particularly those most in need, through varied instruments such as microcredit and other mechanisms.

3. The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic

¹ Universal Declaration of Human Rights, Art. 1.

² Universal Declaration of Human Rights, Art. 2.

or social condition.³

4. Industrial relations and working conditions should be inspired by:

- freedom of association and right to collective bargaining;
- abolition of forced labour;
- elimination of child labour;
- prohibition of discrimination of employment and occupation.⁴

5. Disarmament and arms limitation are essential to enhancing international peace and security, as well as for the economic and social advancement of all peoples.⁵

B. ENVIRONMENTAL ISSUES.

6. Animals are "sentient beings"⁶, therefore animal welfare should not be infringed unless necessary for the well-being of human life.

7. Economic development shall be pursued by meeting the needs of the present without compromising the ability of future generations to meet their own needs.⁷

8. Biological diversity has an intrinsic value and its conservation is a common concern of mankind.⁸

9. Environmental decision-making should be participatory, with environmental justice at the basis of all actions. Environmental information must be accessible to all.⁹

³ WHO, Constitution of the World Health Organization, 1946.

⁴ As outlined by the four ILO core principles. See: International Labour Organisation, *Conventions and Recommendations*, link: <https://goo.gl/BcZAGg>.

⁵ United Nations, Final Document of the Tenth Special Session of the General Assembly, 1978. Link: <https://goo.gl/HRmvQA>.

⁶ *Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community, signed at Lisbon, 13 December 2007*, Article 13 of Title II.

⁷ United Nations, *Report of the World Commission on Environment and Development: Our Common Future (Brundtland Report)*, 1987. Link: <https://goo.gl/Z21BSE>

⁸ United Nations, *Convention on Biological Diversity*, 1992. Link: <https://goo.gl/Jron1N>.

⁹ United Nations Economic Commission for Europe (UNECE), *Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters (Aarhus Convention)*, 1998.

10. Change in the Earth's climate and its adverse effects are a common concern of humankind and are largely a consequence of human activities.¹⁰

11. Enterprises should contribute to economic, environmental and social progress with a view to achieving sustainable development and respect for human rights.¹¹

C. GOVERNANCE.

12. Addressing inequality through the promotion and implementation of tax justice is a precondition to tackling inequality and poverty.¹²

13. Effective and sustainable shareholder engagement is one of the cornerstones of the corporate governance model for public companies, with best practice developed through checks and balances among stakeholders.¹³

14. Greater involvement of shareholders in corporate governance is one of the levers that improves the financial and non-financial performance of companies, particularly with regard to environmental, social and governance factors.¹⁴

15. Civil society and other organisations and stakeholders, such as ethical rating agencies, regulators, etc., are essential partners of the network's engagement activities, providing critical oversight and scrutiny when challenging controversial corporate practices.

16. Transparency and disclosure practices, particularly social, environmental and governance issues, are essential elements for companies seeking to develop positive relations with their investors and other stakeholders.

17. Legal and regulatory compliance, with the letter and spirit of rules, is a minimum standard for all corporate practices.

¹⁰ United Nations, *United Nations Framework Convention on Climate Change*, 1992.

¹¹ OECD, *OECD Guidelines for Multinational Enterprises*, 2011.

¹² Tax Justice Network, *Inequality & Tax Havens*, link: <https://goo.gl/hhAp12>.

¹³ European Union, *Directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement*, 2017.

¹⁴ European Union, *Directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement*, 2017.