

# ESG report 2021

ANIMA's Environmental,  
Social & Governance commitment in 2020



# ESG report 2021

ANIMA's Environmental,  
Social & Governance commitment in 2020

## TABLE OF CONTENTS

<b>1.</b>	<b>ESG in ANIMA: 2020 at a glance</b>	<b>3</b>
<b>2.</b>	<b>The PRI report</b>	<b>4</b>
<b>3.</b>	<b>The ESG policy</b>	<b>5</b>
<b>4.</b>	<b>Managing ESG integration in the investment process</b>	<b>9</b>
4.1	Stewardship policy	10
4.2	Policy on exercising voting rights	11
4.3	Engagement policy	14
<b>5.</b>	<b>ANIMA's stewardship activities in 2020</b>	<b>19</b>
5.1	Monitoring	19
5.2	Engagement	19
5.3	Exercising voting rights	20
<b>6.</b>	<b>Promotion and collaboration to implement the principles</b>	<b>22</b>
<b>7.</b>	<b>Outlook for 2021</b>	<b>23</b>

## 1. ESG IN ANIMA: 2020 AT A GLANCE

As part of a process that is seeing ANIMA pay increasingly close attention to the principles for responsible investment, during 2020 and in the first months of 2021, the group:

1. filled in the mandatory PRI Report, as signatory of the Principles for Responsible Investment, in relation to which it received an 'A' rating for Strategy and Governance;
2. took part in and voted at the annual AGM of the PRI to approve the financial reports and reappoint the Board of Directors;
3. launched a section of its website dedicated to ESG issues;
4. published the 2020 ESG Report, including an explanation of its policies and examples of its active ownership during 2019;
5. published the Sustainability Report on its website;
6. obtained 2020 ESG Standard Ethics ratings;
7. signed up to various collective engagement initiatives at international level;
8. held a series of in-house training sessions on ESG integration issues, processes and strategies;
9. provided support to institutional clients and distributors regarding the SFDR and SRDII legislative and regulatory updates;
10. extended its responsible investment approach to the vast majority of its assets under management, including the 'Arti e Mestieri' open-ended pension fund; said approach is characterised by:
  - the exclusion of investments in government bonds issued by states that have been sanctioned by the United Nations for systematically and deliberately violating human rights;
  - the exclusion of investments in companies directly involved in the production or sale of weapons that violate fundamental humanitarian principles, as prohibited by UN Conventions (land mines, cluster bombs, weapons with depleted uranium, biological weapons, chemical weapons, invisible fragmentation weapons, laser weapons, incendiary weapons);
  - active monitoring of the ESG profiles of investments, based on an in-house ESG scoring system; this system uses a database of ESG assessments provided by third-party specialists.
11. extended active monitoring to EU sanctioned countries;
12. began recording greenhouse gas emissions for all corporate issuers in the portfolio;
13. participated in the Assogestioni working group on the SFDR and SRDII;
14. redesigned its ESG approach in light of the recent regulatory changes;
15. submitted minority lists for the corporate bodies of 29 companies;
16. voted in 111 company shareholders' meetings in 2020, with over 1,450 votes (ballots) cast for more than 21% of the total votes available, based on its policy to exercise voting rights (which also assesses issuers' ESG performance);
17. supported and voted on several motions put forward by minorities on specific ESG issues in various shareholders' meetings of foreign issuers;
18. renewed its membership of CDP, a non-profit organisation that promotes a data collection and reporting system relating to environmental impact factors;
19. expanded the range of tools/providers it uses to monitor risks, ESG profiles and impacts on the sustainability factors of its investments.

## 2. THE PRI REPORT

*Signatory of:*



UNPRI - United Nations Principles for Responsible Investment - is a UN-supported association that encourages companies and investors to adopt responsible investment principles. At the end of 2020, more than 2,600 asset managers, over 40 of which Italian, had signed these Principles, together with almost 600 institutional investors. ANIMA Sgr, Italy's top independent asset management company, has been a signatory of the Principles for Responsible Investment since 2018.

By signing the Principles, ANIMA undertakes to: incorporate environmental, social and governance issues into investment analysis and decision-making processes; be an active shareholder and incorporate ESG issues into its 'traditional' ownership policies and practices; seek appropriate disclosure on ESG issues by the entities in which it invests; respect certain standards of reporting and cooperation between the various players in the system, also with regard to ESG issues.

Signatories describe how they have concretely implemented these commitments in an annual PRI Report. ANIMA began voluntarily drawing up this report at the beginning of 2019 and has committed to producing it on a mandatory basis every year starting from 2020; it describes all the activities carried out by the company with regard to ESG issues. PRI then evaluates this report and, at the end of the process, issues a rating that measures the level of adherence to the Principles of Responsible Investment. In 2020, ANIMA Sgr received an 'A' rating from PRI for its Strategy & Governance.

### 3. THE ESG POLICY

One of the key aspects of responsible investment is having a Responsible Investment Process, described in an ESG Policy, which identifies the relative objectives and guidelines.

ANIMA has defined its own ESG Policy and has applied this to a gradually increasing share of its assets under management; during the last months of 2020, it also began to prepare a series of changes to bring this policy in line with the new European legislation and regulations (the Sustainable Finance Disclosure Regulation), right from the entry into force of the first provisions, on 10 March 2021.

Please find below an extract of the new version of the ESG policy: (published on the ANIMA website)

#### **Introduction**

*As one of Italy's leading independent asset management groups, ANIMA SGR has the duty to operate in the interest of its clients, making investments aimed at generating sustainable and long-term value. By virtue of this fiduciary role, ANIMA SGR believes that environmental, social and corporate governance (ESG) issues associated with securities issuers can influence the performance of managed portfolios over time, at individual company, sector, region and asset class level. By taking these issues into consideration when making its investment decisions, ANIMA SGR is able to align the interests of investors with the broader objectives of society.*

*Furthermore, ANIMA SGR has signed the United Nations Principles for Responsible Investment (PRI), an initiative aimed at disseminating and integrating ESG criteria into investment practices. As a signatory, ANIMA SGR has undertaken to:*

- ▶ *incorporate ESG issues into investment analysis and decision-making processes;*
- ▶ *be active owners and incorporate ESG issues into its ownership policies and practices;*
- ▶ *seek appropriate disclosure on ESG issues by the entities in which it invests;*
- ▶ *promote acceptance and implementation of the Principles within the investment industry;*
- ▶ *work together with operators and entities within the industry to enhance our effectiveness in implementing the Principles;*
- ▶ *periodically report on activities and progress towards implementing the Principles.*

*The aforementioned Principles form the basis of the policy to integrate sustainability factors into the responsible investment process adopted by ANIMA SGR.*

*The policy applies to all products launched and/or managed by ANIMA SGR, applying the methods and differentiations governed by the Policy itself and in accordance with the offer and/or contractual documentation for the products in question.*

#### **Incorporating ESG issues into investment analysis and decision-making processes**

*The policy is based on the following main elements:*

- ▶ *monitoring of sustainability risks in the investment process;*
- ▶ *taking into consideration the main negative impacts on sustainability factors deriving from investment activity;*
- ▶ *specific ESG strategies;*
- ▶ *active ownership and engagement.*

*These main elements characterise the investment process and are applied to all products subject to the Policy, with the exception of specific ESG strategies, which only apply to products pursuant to art. 8 and 9 of EU Reg. 2088/2019, as identified in the specific disclosures included in the relative offer documentation.*

### Monitoring sustainability risks

ANIMA SGR uses the regulatory definition of sustainability factors and sustainability risk (EU Regulation 2088/2019).

ANIMA SGR checks sustainability risks by processing and monitoring the ESG ratings of issuers, based on ESG scores provided by specialist info providers. In addition to the level of the ratings themselves, this monitoring activity also takes into consideration the percentage of the portfolio for which an ESG rating is available, as well as portfolio concentration by rating category.

For funds of funds, fund-based asset management schemes and other types of similar products, sustainability risks are checked by evaluating the ESG strategies and approaches of the funds in which the portfolios are invested.

Monitoring sustainability risks also includes a qualitative assessment of other factors, such as whether issuers belong to certain business sectors that are considered riskier from an environmental or social point of view.

The aforementioned activities to monitor sustainability risks allow for the entire range of ANIMA products to which this Policy applies to be classified, based on an incremental order of sustainability risk, determined as follows:

CLASS 1	CLASS 2	CLASS 3	CLASS 4
Lower sustainability risks	Intermediate sustainability risks	Greater sustainability risks	Potentially high sustainability risks
Products for which sustainability risks are recorded, measured and monitored as for class 2, as well as being mitigated by applying in-house ESG strategies	Products for which satisfactory ESG ratings and data are available and there are no cases of the overall incidence of low ratings exceeding a predefined maximum level, or funds of funds, fund-based asset management schemes and other types of similar products for which sustainability risks are mitigated by applying in-house ESG approaches	Products for which satisfactory ESG ratings and data are available, but these show an overall incidence of low or unclassified ratings exceeding a predefined maximum level	Products for which the availability of ESG ratings and data falls below a predefined minimum level, or specific products for which only limited monitoring is carried out, given the specific characteristics and/or possible 'customisation' of the products themselves

This classification is based on the assumption that higher sustainability risks go hand-in-hand with an increased possibility of potential effects on product performance that cannot be ignored.

Furthermore, ANIMA SGR in any case excludes securities from its investment scope issued by:

- companies that are directly engaged in the production or sale of non-conventional weapons that are prohibited by United Nations treaties and whose use violates fundamental humanitarian principles;
- governments that are involved in systematic human rights violations.



### **Taking into consideration the main negative impacts on sustainability factors**

ANIMA SGR has chosen to identify the main negative impacts of investments on environmental and social factors, taking its inspiration from the Sustainable Development Goals (SDG) and remaining in line with relevant legislation.

In particular, ANIMA SGR measures these main negative impacts on the basis of a scoring system and ESG indicators provided by its info providers, monitoring:

- ▶ with regard to environmental aspects, the issuer's Environmental (E) rating and environmental impact indicators such as those relating to greenhouse gas emissions, impacts on biodiversity and the reduction of investments in fossil fuels;
- ▶ with regard to social aspects, the issuer's Social (S) rating and indicators regarding respect for human rights, such as the right to work and the fight against corruption;
- ▶ with regard to corporate governance aspects, the issuer's Governance rating (G);
- ▶ these measurements are only taken for products or portfolios invested in third-party UCITS where the relative data are available.

### **Specific ESG strategies**

ANIMA SGR applies specific ESG strategies to products that promote, *inter alia*, social and environmental characteristics or whose objective is sustainable investments, as identified by articles 8 and 9 of EU Reg. 2088/2019.

These strategies tend to reduce and, in any case, keep checks on investments in securities from issuers characterised by low-quality ESG performance, by:

- ▶ selecting and monitoring issuers' ESG profiles (for example, by investing only in the securities of issuers whose environmental or social or governance scoring exceeds a certain level or by applying additional, product-specific exclusion criteria);
- ▶ monitoring the levels of negative impact indicators on sustainability factors, as defined above, relating to the portfolios under management with respect to the relative benchmarks, asset classes or reference portfolios.

ANIMA SGR integrates the monitoring of sustainability risks and the main negative impacts on sustainability factors, as defined above, with traditional financial risk and return analyses, in order to identify and generally exclude issuers with unsatisfactory ESG performance from its investment portfolios.

### **Active ownership and engagement**

Liaising with issuers is a fundamental part of responsible investment management. ANIMA SGR firmly believes that liaison with companies' management teams allows them to improve their ESG profile and protect their long-term economic-financial performance through proper risk management. Through engagement, ANIMA SGR pursues, in particular, the objectives of raising awareness and monitoring ESG issues.

ANIMA SGR believes that the adoption of corporate social responsibility programmes should form part of more general corporate governance policies aimed at maximising the creation of shared value for all shareholders. ANIMA SGR therefore encourages individual companies to adopt protocols and procedures aimed at identifying, preventing and mitigating the possible negative social and environmental impacts of their business operations and main corporate strategies.

With reference to active ownership practices, in addition to endorsing the Italian Stewardship Principles issued by Assogestioni based on the EFAMA Stewardship Code, ANIMA SGR has also prepared a policy available to the public (see "ANIMA - Engagement policy"), which describes:

- ▶ how it exercises its responsibilities as a shareholder/investor;
- ▶ the guidelines for engaging with its investee companies, in order to protect and enhance its clients' investments;

- ▶ how it works with other investors to engage companies, also regarding ESG issues, where this is deemed to be relevant and appropriate;
- ▶ the guidelines for voting activity, taking into account the specific assessment of ESG factors;
- ▶ the periodic information provided to investors, by publishing the engagement policy and the report on how it has exercised its shareholder rights and its voting activities;
- ▶ the securities lending guidelines for 'significant issuers' and how the right to recall the securities lent at any time is maintained.

### Reporting

ANIMA SGR is subject to the ESG reporting obligations established by EU Reg. 2088/2019. In particular, in line with the applicable provisions of EU Regulation 2088 of 2019, ANIMA Sgr makes the following available on its website:

- ▶ information about its policies regarding the integration of sustainability risks into its investment process;
- ▶ its statement regarding due diligence policies covering the main negative effects of investment decisions on sustainability factors;
- ▶ information on how its remuneration policy is consistent with the integration of sustainability risks;
- ▶ with regard to products promoting environmental or social characteristics, or those that set sustainable objectives, a description of the environmental or social characteristics or the sustainable investment objectives, information on the methodologies used to assess, measure and monitor the environmental or social characteristics or the impact of the sustainable investments selected for the financial product, and a description of how said environmental or social characteristics or sustainable investment objectives are respected.

Furthermore, ANIMA SGR describes the following in its periodic reporting:

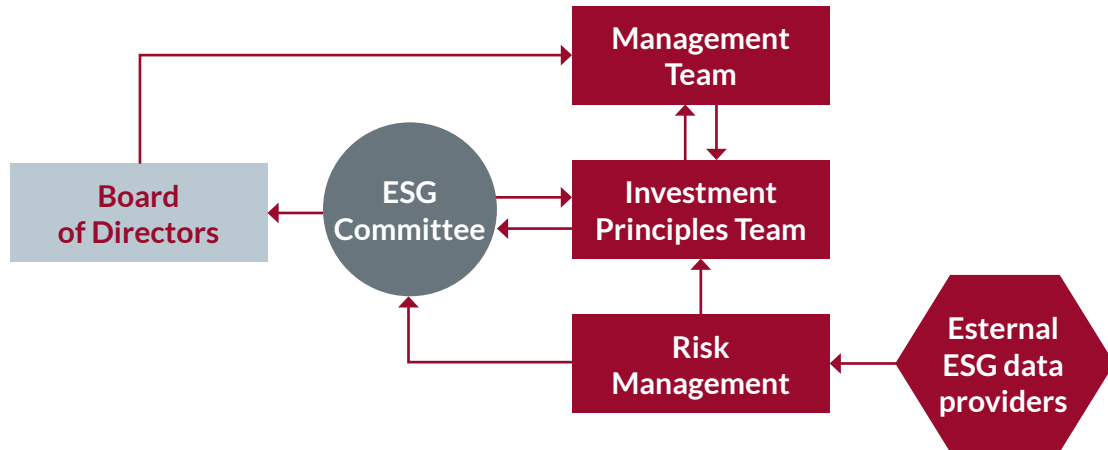
- ▶ with regard to products promoting environmental or social characteristics, the extent to which the environmental or social characteristics are achieved;
- ▶ with regard to products that set sustainable objectives, the overall impact related to the sustainability of the financial product in question through relevant sustainability indicators; or, if a reference index has been designated, a comparison between the overall impact relating to the financial product's sustainability with the impacts of the designated index and of a general market index using sustainability indicators.

Finally, with the aim of boosting the impacts of its ESG activities, ANIMA SGR also undertakes to report to external stakeholders through dedicated documents, providing a complete overview of the activities carried out and the results achieved by implementing the policies it has adopted in this area.



#### 4. MANAGING ESG INTEGRATION IN THE INVESTMENT PROCESS

ANIMA SGR integrates ESG factors into its investment process through the following:

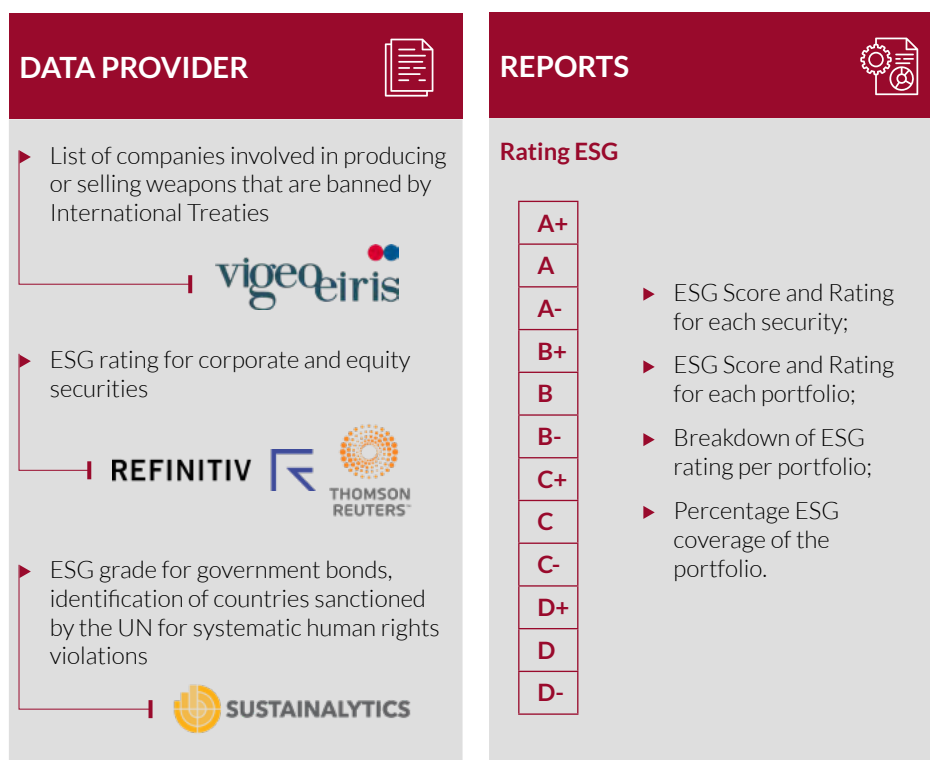


ANIMA Sgr has created an ESG Committee. This Committee is made up of members of ANIMA SGR's management team and its tasks include advising the Board of Directors on the definition, review and implementation of the responsible investment policy. Within this Committee, an 'Investment Principles' team coordinates ESG processes, assessing and monitoring issuers' ESG profiles, while the Management Team is responsible for integrating the commitments defined by the policy into investment decisions.

#### RESOURCES AND TOOLS

ANIMA SGR uses a range of tools and info providers for its ESG activities: from ISS Proxy Advisory for voting and analysis of shareholders' meeting agendas, to Vigeo for analyses on unconventional weapons, Refinitiv for analyses on corporate issuers, Sustainalytics for government issuers, CDP for research and support regarding climate analysis and other providers. In 2020, it also signed new contracts with ESG research providers and expanded the number of people on its Investment Principles team.

Please find below an overview of the ESG Ratings used by ANIMA.



## THE ESG PROFILE OF PORTFOLIOS

At 31 December 2020, the ESG profile of ANIMA's products was characterised by a percentage ESG rating coverage of just under 93% of total assets under management. ESG ratings and Combined Ratings are equal to or higher than C + for all products on which they are calculated.

## 4.1 Stewardship policy

The stewardship strategies adopted by ANIMA are inspired by the principles of Assogestioni and EFA-MA (Stewardship Code - Principles for asset managers' monitoring of, voting in, engagement with investee companies), essentially consisting of three components: monitoring companies' economic and financial performance and the related risks; exercising the right to vote in shareholders' meetings; and, directly engaging with issuers on specific issues.

Engagement takes the form of actively liaising with issuers on specific issues, aiming to raise awareness on the issues identified and to improve issuers' conduct in relation to said issues; engagement thus contributes to increasing investment value over the long term. An increasing number of responsible investors are now actively engaging with issuers, contributing to improving the latter's standards of conduct, transparency and reporting regarding environmental (E), social (S) and governance (G) issues.

In order to carry out its stewardship activities in the best way possible, ANIMA SGR has adopted specific policies to govern both engagement and the exercising of voting rights.

Please find below an extract from its Policy on exercising voting rights and Engagement policy (so-called Stewardship).

## 4.2 Policy on exercising voting rights

### 1. Introduction and general information

This Policy has been adopted in accordance with the legislative and regulatory provisions obliging asset management companies to develop strategies for exercising voting rights regarding the financial instruments held by their products under management; said strategies must be valid, in general, for all issuers, both Italian and foreign, in the exclusive interest of investors.

This Policy describes the content of the measures adopted, with particular regard to those for:

- ▶ monitoring issuers and, in particular, company operations requiring ordinary or extraordinary (or special) shareholders' meetings to be called;
- ▶ evaluating the opportunity to exercise the rights to participate and vote;
- ▶ defining the criteria and procedures for participation and voting.

### 2. Monitoring company operations

As part of its monitoring of issuers, the Investment Department identifies company operations requiring an ordinary and/or extraordinary shareholders' meeting to be called (or a special category shareholders' meeting).

Significant company operations are analysed and identified using information providers and other means reporting the information disclosed by the issuer or relating to the latter.

### 3. Evaluating the opportunity to exercise rights to participate and vote

Generally speaking, the aim of participating in shareholders' meetings and exercising the right to vote is to pursue the interests of investors.

To this end, the provisions described below apply in relation to exercising the right to vote for issuers whose securities are authorised for trading on the main national and international markets.

When selecting the shareholders' meetings in which it intends to express its vote, ANIMA SGR takes into account the type and quantity of AUM on the stock markets in question. This activity mainly refers to the shareholders' meetings of the main companies listed on the markets of Europe, the United States and Japan. In particular, in line with investors' interests and management requirements, the right to vote is exercised on markets where the administrative activities involved with registration and expressing votes are straightforward and generally not weighed down by ancillary activities and duties, authorisations, certifications and/or communications that entail the blocking of the securities in order to express the relative vote for periods of time deemed to be excessive.

Proposals relating to possible opportunities to exercise the right to vote may be made by both managers (the managers responsible for the product, who, in line with their mandate, may flag up companies' shareholders' meetings in which they believe it is appropriate to participate and vote) and by the Head of the Investment Principles team.

The latter, in agreement with the DGM Head of the Investment Department and the Head of the relevant division of the Investment Department, who is responsible for exercising voting rights, shall proceed to express the vote or shall grant the relative proxy to do so, in accordance with internal organisational procedures. In the absence of the Head of the Investment Principles team, the right to vote is exercised by the competent Division Manager or by an authorised member of the management team.

Assessing opportunities to participate in shareholders' meetings and to exercise the right to vote does not automatically extend to all the products under management that hold the securities in question. However, if more than one product under management is involved in the same shareholders' meeting, votes are generally expressed in a uniform manner.

The amount of securities for which the right to participate in and vote at the shareholders' meeting is exercised may not necessarily represent all the securities held by the portfolios involved; this is rather determined based on current assessments carried out regarding the need to protect investors and the market.

The Investment Committee is made aware of the planned actions in relation to voting rights being exercised at the shareholders' meetings of companies in which the products managed by ANIMA SGR have invested, as well as of the possible presentation of minority lists for the appointment of company administrative and/or supervisory bodies.

#### **4. Defining the criteria and procedures for participation and voting**

Voting rights must always be exercised in an informed manner, on the basis of the information published by the investee companies themselves or via the media normally used (for example, issuers' websites, daily press and periodicals, financial information providers), as well as taking into consideration any analysis carried out by leading research companies specialised in proxy voting.

It is possible to participate in and vote at shareholders' meetings by, alternatively:

- ▶ subscribing to proxy voting services;
- ▶ appointing an employee or collaborator of ANIMA SGR or of the Group to do so;
- ▶ appointing a third party (lawyers, consultants, etc.) to do so.
- ▶ If a shareholders' meeting is attended by proxy, the voting instructions defined by ANIMA SGR shall be binding, meaning the proxy must not deviate from them.

In particular, ANIMA SGR follows the below principles when exercising the right to participate in and vote at shareholders' meetings:

- ▶ it cannot bind portfolio securities to shareholder agreements (e.g., voting or blocking syndicates);
- ▶ it exercises the right to vote with total autonomy and independence;
- ▶ if it appoints third parties to exercise the right to participate and to vote, the relative proxy or other related documentation must specify explicit voting instructions;
- ▶ with reference to the presentation of candidate lists for the appointment of administrative and supervisory bodies, it follows the principles and criteria identified by the Assogestioni Corporate Governance Committee.

If deemed appropriate and where permitted by applicable legislation, ANIMA SGR shall be entitled to submit to the issuer, prior to the shareholders' meeting, written questions regarding the items on the agenda.

The detailed processes and activities are governed by a specific organisational procedure, including the criteria and methods for exercising the rights to participate and vote.

#### **5. Conflicts of interest**

ANIMA SGR shall not exercise its right to participate and vote, and nor shall it present minority lists for the appointment of company bodies, in the presence of situations involving potential conflicts of interest, i.e., in shareholders' meetings of issuers that may be classed as 'related parties', as defined in the relevant policies and procedures adopted by ANIMA SGR.<sup>1</sup>

<sup>1</sup> Based on the definition of 'related parties' provided by the 'Policy to manage conflicts of interest' currently in force and considering the current corporate structure of ANIMA Group, the issuers to which this provision applies are: i) the parent company; ii) shareholder-issuers with significant influence over the parent company and the issuers controlled by the latter; iv) the issuers with which ANIMA Group companies have entered into significant placement agreements and the issuers controlled by the latter; iv) issuers that have entered into Custodian agreements with ANIMA Group companies.

#### **6. Transparency vis-à-vis investors**

*ANIMA SGR ensures transparency regarding the ways in which voting rights are exercised and, to this end, it publishes information on the shareholders' meetings in which said rights have been exercised, both in the periodic financial reports sent to clients and, on an annual basis, on its website.*

*Further information can be requested directly from ANIMA SGR.*

#### **7. Management mandates**

*In cases where ANIMA SGR has appointed another asset management company to manage one of its UCITS, and the relative mandate also provides for the possibility to exercise the right to vote with reference to the financial instruments in the portfolio, the appointed company in question must have adopted its own strategy and informed ANIMA SGR thereof. Likewise, in cases where ANIMA SGR has been appointed to manage a UCITS by another asset management company, and the relative mandate also provides for the possibility to exercise the right to vote with reference to the financial instruments in the portfolios covered by the mandate, ANIMA SGR must apply the rules defined in this Strategy.*

*In both cases, the appointed asset management company must provide notification of the ways in which it exercises the right to vote, as well as the information necessary to ensure transparency for investors.*

#### **8. Responsibility for implementation**

*Responsibility for implementing the Strategy for exercising voting rights lies with the Investment Department divisions, which exercise them through the respective managers (or the Investment Committee, or the Head of the Division, in accordance with their respective duties), possibly with the support of other structures or ANIMA SGR's external collaborators for specific activities, also in compliance with the other policies/procedures adopted by ANIMA SGR.*

#### **9. Changes to the Policy**

*Any changes and additions to this document shall be approved by the ANIMA SGR Board of Directors, subject to the opinion of the Independent Directors' Committee; non-substantial amendments or additions may be approved by the Chair and/or by the Chief Executive Officer and General Manager, also separately, where these are merely necessary to adapt to changes in legislation and/or guidelines from the competent authorities or associations.*

## 4.3 Engagement policy

### 1. Introduction and general information

European regulations on encouraging long-term shareholder engagement (the 'Shareholder Rights Directive II'), transposed into Italian legislation, requires asset managers and institutional investors to adopt an engagement policy and to disclose this to the public; this policy must describe how the company:

- ▶ monitors investee companies with shares authorised for trading on a regulated market in Italy or in another EU Member State with regard to relevant issues, including their strategy and financial and non-financial results as well as risks, capital structure, social and environmental impact and corporate governance;
- ▶ liaises with investee companies;
- ▶ exercises voting rights and other rights connected to the shares held;
- ▶ cooperates with other shareholders;
- ▶ communicates with relevant stakeholders regarding the investee companies;
- ▶ manages current and potential conflicts of interest in connection with engagement activities.

Based on the aforementioned legislation, ANIMA SGR has defined this Policy, which will be updated on at least an annual basis and published on the ANIMA SGR website within fifteen days from being approved by the company's Board of Directors.

This policy applies i) to all products managed by ANIMA SGR; ii) the 'Arti & Mestieri' pension fund, classed as an institutional investor pursuant to article 124-quater, paragraph 1, letter b), point 2, of the TUF (Italian Consolidated Law on Financial Intermediation).

With reference to individual and collective management agreements with institutional clients (management mandates), this policy shall apply based on the agreements themselves, in compliance with current legislation and with the 'comply or explain' principle.

### 2. Monitoring investee companies

This Policy is based on the 'Italian Stewardship Principles' issued by Assogestioni and on the EFAMA Stewardship Code, containing recommendations for the implementation of a series of best practices aimed at encouraging discussion and collaboration with the issuers of the financial instruments in which the assets of the portfolios under management are invested. ANIMA SGR applies these best practices to both Italian and foreign issuers in which its assets under management are invested. These principles may be applied according to a proportionality-based criterion, for example by establishing relevance thresholds with reference to the equity investments held in the portfolios under management, making it possible to identify the issuers deemed most significant.

In this regard, ANIMA SGR defines 'significant issuers' as being those issuers that meet all the following conditions:

- ▶ the total number of shares held by all managed products is greater than 1% of the total number of shares issued of the same category;
- ▶ the equity investment has a significant weight in the products under management, with 'significant' understood to mean a weight of over 1% of the NAV in at least one of the products that have the shares in the portfolio.

With reference to financial instruments of issuers other than shares, the same quantitative criteria are applied, referring - with regard to the first percentage indicated - to the total number of said financial instruments issued by the issuer. Checks into whether the aforementioned conditions are met are carried out on a quarterly basis, in relation to the data collected on the last day of the quarter of reference.

Even if the products' overall equity investment is lower than the aforementioned thresholds,



*the Principles may still be applied at the discretion of ANIMA SGR, taking into due consideration the importance of the investment held, both in terms of quantity and quality (for example, in relation to particular events relating to the issuer).*

*The Principles are generally applied to issuers that exceed the significance thresholds on a regular and continuous basis; they may not be applied if the aforementioned thresholds are only exceeded temporarily and/or are exceeded as part of a short-term investment strategy. The aim of monitoring issuers is to protect and increase the value of the products under management. With regard to significant issuers, ANIMA SGR adopts monitoring measures and tools that can also be applied to other investee issuers in a flexible and proportionate manner, depending on assessments on a case-by-case basis.*

*Monitoring is mainly aimed at analysing economic-financial prospects and corporate governance issues, especially in the presence of potential critical issues.*

*Monitoring is carried out on an ongoing basis and includes, inter alia:*

- ▶ *quantitative checks into share performance and the relative contribution to fund performance;*
- ▶ *analysis of data and information disseminated by the media and information providers and of the main research carried out by financial analysts;*
- ▶ *evaluation of the periodic financial reports released and possible participation in the related conference calls;*
- ▶ *periodic meetings with issuers' representatives;*
- ▶ *analysis of press releases and documentation published by the issuers, with particular reference to company operations submitted to the shareholders' meeting for approval;*
- ▶ *discussions with industry experts, independent legal advisors, etc.*

### **3. Dialogue with investee companies**

*ANIMA SGR identifies a number of specific circumstances requiring active intervention vis-à-vis an issuer, defining also the relative procedures.*

*By means of example, ANIMA SGR shall evaluate whether to take action vis-à-vis an issuer if its monitoring activities flag up the following critical issues:*

- ▶ *securities recording below-market performance;*
- ▶ *any significant losses that may negatively affect the share capital and constitute the hypothesis referred to in art. 2446 of the Italian Civil Code;*
- ▶ *proposals for extraordinary transactions or changes to the organisational structure, which may significantly alter the issuer's risk profile or may substantially transform its business model;*
- ▶ *extraordinary transactions and/or amendments to the articles of association which may compromise shareholders' rights or which may lead to the right of withdrawal being exercised;*
- ▶ *significant issues regarding environmental, social or corporate governance (ESG) issues;*
- ▶ *legal or tax matters involving the issuer or its representatives;*
- ▶ *proposals for shareholders' meeting resolutions that do not appear to be opportune.*

*In such circumstances, ANIMA SGR may request discussions with representatives of the issuer in question (management team of reference or investor relations team), to discuss or specifically represent the problems that have emerged.*

#### **Italian issuers**

*In the case of Italian issuers, the main collective engagement tool used to monitor sound and prudent management and oversee the issuer's risks consists of contributing to the presentation of candidate lists for the election of minority members of the investee issuer's administrative and supervisory bodies, together with other professional investors, through the Man-*

agers' Committee (made up of representatives of the asset management companies that are members of Assogestioni and other institutional investors).

With regard to significant issuers, should the monitoring activities and interventions described above flag up circumstances deemed to be particularly problematic and that may potentially have significant effects on the products under management, ANIMA SGR - in order to protect investors - shall evaluate whether to adopt forms of collective engagement with other institutional investors, for example through the procedures provided for by the aforementioned Managers' Committee.

Collective engagement with other institutional investors is generally considered preferable both in cases in which ANIMA SGR is the instigator (individually or collectively), and when the initiatives are brought about by other investors. First of all, these initiatives may concern requests for (further) collective discussions with the issuer's management or with independent directors and/or statutory auditors, in compliance with recognised best practices for monitoring and engagement.

Any initiatives aimed at exercising shareholders' rights, in particular where qualified 'quorums' are required (for example, calling a shareholders' meeting at the request of the shareholders, a request to add items to the shareholders' meeting agenda and/or submitting new resolution proposals), as well as any class actions where permitted by current legislation, are preferably taken together with other institutional investors, also through the procedures of the Managers' Committee, in the exclusive interest of the investors of the products under management.

#### **Foreign issuers**

In the case of foreign issuers, even if direct dialogue with the companies is possible, engagement is generally carried out in two ways:

- ▶ collectively, by supporting motions, petitions or similar initiatives put forward by non-governmental organisations or investor associations through platforms such as the Principles for Responsible Investment, CDP (Carbon Disclosure Project), etc.;
- ▶ when participating in issuers' shareholders' meetings, by exercising the right to vote in accordance with ANIMA SGR's Policy and with the procedures specified below.

#### **4. Exercising voting rights and other rights connected to the shares**

ANIMA SGR develops strategies to govern how the rights to participate in and vote at shareholders' meetings are exercised, with reference to issuers whose securities are authorised for trading on the main national and international markets and are present in the portfolios of the products under management, in the exclusive interest of investors.

With reference to its individual portfolio management service, ANIMA SGR does not exercise the right to vote in relation to the shares held by the client in the portfolio under management, unless said client has granted a specific proxy pursuant to art. 24 of the TUF (Italian Consolidated Law on Financial Intermediation) or this has been defined in the management agreement.

With reference to institutional investors' management mandates, ANIMA SGR does not exercise the right to vote unless this is expressly governed by the management agreement.

Significant company operations are analysed and identified using information providers and other means reporting the information disclosed by the issuer or relating to the latter.

This activity mainly refers to the shareholders' meetings of the main companies listed on the markets of Europe, the United States and Japan. In particular, in line with investors' interests and management requirements, the right to vote is exercised on markets where the administrative activities involved with registration and expressing votes are straightforward and generally not weighed down by ancillary activities and duties, authorisations, certifications and/

or communications that entail the blocking of the securities in order to express the relative vote for periods of time deemed to be excessive.

Assessing opportunities to participate in shareholders' meetings and to exercise the right to vote does not automatically extend to all the products under management that hold the securities in question. However, if more than one product under management is involved in the same shareholders' meeting, votes are generally expressed in a uniform manner. The amount of securities for which the right to participate in and vote at the shareholders' meeting is exercised may not necessarily represent all the securities held by the portfolios involved; this is rather determined based on current assessments carried out regarding the need to protect investors and the market.

The Investment Committee is made aware of planned actions in relation to voting rights being exercised at the shareholders' meetings of companies in which the products managed by ANIMA SGR have invested, as well as of the possible presentation of minority lists for the appointment of company administrative and/or supervisory bodies.

Voting rights must always be exercised in an informed manner, on the basis of the information published by the investee companies themselves or via the media normally used (for example, issuers' websites, daily press and periodicals, financial information providers), as well as taking into consideration any analysis carried out by leading research companies specialised in proxy voting.

It is possible to participate in and vote at shareholders' meetings by, alternatively:

- ▶ subscribing to proxy voting services;
- ▶ appointing an employee or collaborator of ANIMA SGR or of the Group to do so;
- ▶ appointing a third party (lawyers, consultants, etc.) to do so.

If a shareholders' meeting is attended by proxy, the voting instructions defined by ANIMA SGR shall be binding, meaning the proxy must not deviate from them.

In particular, ANIMA SGR follows the below principles when exercising the right to participate in and vote at shareholders' meetings:

- ▶ it cannot bind portfolio securities to shareholder agreements (e.g., voting or blocking syndicates);
- ▶ it exercises the right to vote with total autonomy and independence;
- ▶ if it appoints third parties to exercise the right to participate and to vote, the relative proxy or other related documentation must specify explicit voting instructions;
- ▶ with reference to the presentation of candidate lists for the appointment of administrative and supervisory bodies in Italian companies, it follows the principles and criteria identified by the Assogestioni Corporate Governance Committee.

If deemed appropriate and where permitted by applicable legislation, ANIMA SGR shall be entitled to submit to the issuer, prior to the shareholders' meeting, written questions regarding the items on the agenda.

By means example, for 'significant issuers', the following types of transactions formalised in shareholders' meeting resolution proposals are monitored:

- ▶ all transactions involving the share capital, including those involving special categories of shares or other financial instruments and the related special shareholders' meetings (e.g., share capital increases or reductions, new issues, conversions, changes to rights, etc.);
- ▶ all extraordinary transactions (e.g., mergers, divisions, transformations, acquisitions or sales of company branches or significant equity investments, bond issues, transactions with significant related parties, etc.);
- ▶ amendments to the articles of association affecting the company's objects, corporate governance rules and shareholders' rights;

- ▶ financial statements and remuneration policies;
- ▶ appointment of company bodies (including the category common representative, where applicable);
- ▶ environmental, social or corporate governance (ESG) issues;
- ▶ any corporate liability actions.

Should it be assessed that exercising the right to vote is not able to result in an advantage or interest for the products under management, or should there be a lack of adequate and sufficient information to express the vote in an informed manner, ANIMA SGR shall not exercise the right to vote or shall abstain.

The detailed processes and activities are governed by a specific organisational procedure, including the criteria and methods for exercising the rights to participate and vote.

### **5. Communication with the relevant stakeholders of investee companies**

ANIMA SGR provides the public with information on how this policy is implemented through a report that is made available on its website by 28 February each year, starting from February 2022; this report refers to the engagement activities completed during the previous year and complies with the provisions of the policy in force for the reporting period.

On an annual basis, ANIMA SGR discloses to the public the methods it uses to implement its Engagement Policy, also for the 'Arti & Mestieri' open-ended pension fund.

With regard to institutional clients that have expressly indicated in their respective contracts that they wish to adopt ANIMA SGR's engagement policy, the latter shall provide said clients with information, in the agreed ways, on how the investment strategy and its relative implementation comply with the agreement with the client and contribute to the medium and long-term return on assets.

Furthermore, ANIMA SGR ensures transparency regarding the ways in which voting rights are exercised also within the periodic financial reports for the products under management. Periodic reports contain specific information regarding significant issuers' shareholders' meetings in which the right to participate and vote have been exercised, and the engagement initiatives taken in relation to the significant issuers themselves.

Further information may be requested directly from ANIMA SGR.

### **6. Managing potential conflicts of interest in connection with engagement activities**

ANIMA SGR shall not exercise its right to participate and vote, and nor shall it present minority lists for the appointment of company bodies, in the presence of situations involving potential conflicts of interest, i.e., in shareholders' meetings of issuers that may be classed as 'related parties', as defined in the relevant policies and procedures adopted by ANIMA SGR.<sup>2</sup> If significant issuers include issuers with a conflict of interest as they fall within the definition of a 'related party' pursuant to the company's current policies and procedures, ANIMA SGR will normally limit the application of the Stewardship Principles to monitoring, refraining from individual and collective forms of engagement, from participating in or voting at shareholders' meetings and, for Italian issuers, from presenting minority lists for the appointment of company bodies.

ANIMA SGR also requires proxy advisors to provide regular updates on any conflicts of interest with respect to the companies for which they issue recommendations for exercising the right to vote.

<sup>2</sup> Based on the definition of 'related parties' provided by the 'Policy to manage conflicts of interest' currently in force and considering the current corporate structure of ANIMA Group, the issuers to which this provision applies are: i) the parent company; ii) shareholder-issuers with significant influence over the parent company and the issuers controlled by the latter; iv) the issuers with which ANIMA Group companies have entered into significant placement agreements and the issuers controlled by the latter; iv) issuers that have entered into Custodian agreements with ANIMA Group companies.

## 5. ANIMA'S STEWARDSHIP ACTIVITIES IN 2020

Please find below a summary of the stewardship activities carried out by ANIMA during 2020:

### 5.1 Monitoring

During 2020, ANIMA SGR held around four hundred meetings (including those promoted by the Managers' Committee) with the management teams of Italian companies subject to the standard management monitoring for companies whose shares are present in the portfolios of the funds under management. These meetings mainly dealt with updates on the companies' business performance and comments and assessments with respect to general governance issues, again on the basis of the information made available to the public by the companies themselves.

### 5.2 Engagement

The main form of engagement used was the presentation of candidate lists for the election of minority members of investee companies' administrative and supervisory bodies, together with other professional investors, through the Managers' Committee promoted by Assogestioni. Another engagement method used was joining forces with other institutional investors to request meetings with issuers' management teams; these meetings were held in compliance with recognised best practices regarding monitoring and engagement.

#### **Engagement: presentation of minority lists in collaboration with Assogestioni**

In collaboration with other professional investors through the Managers' Committee promoted by Assogestioni, ANIMA contributed to presenting and voting for candidate lists for the election of minority members in the administration and supervisory bodies of 29 investee companies. These initiatives were also published and shared on the UNPRI website. The companies and company bodies involved were the following:

ASTM SpA (Board of Directors, Board of Statutory Auditors), Infrastrutture Wireless Italiane SpA (Board of Directors), Italmobiliare SpA (Board of Directors, Board of Statutory Auditors), Aeffe SpA (Board of Directors, Board of Statutory Auditors), Banco di Desio e della Brianza SpA (Board of Directors, Board of Statutory Auditors), Brembo SpA (Board of Directors, Board of Statutory Auditors), Cairo Communications (Board of Directors, Board of Statutory Auditors), Caltagirone (Board of Statutory Auditors), Equita (Board of Directors, Board of Statutory Auditors), Salvatore Ferragamo (Board of Statutory Auditors) Intesa Sanpaolo SpA (Board of Directors), Assicurazioni Generali SpA (Board of Statutory Auditors), FinecoBank SpA (Board of Directors, Board of Statutory Auditors), MARR SpA (Board of Directors, Board of Statutory Auditors), Saipem SpA (Board of Statutory Auditors), Garofalo Health Care SpA (Board of Directors), Recordati SpA (Board of Statutory Auditors), A2A SpA (Board of Directors, Board of Statutory Auditors), Eni SpA (Board of Directors, Board of Statutory Auditors), Enel SpA (Board of Directors), SOL SpA (Board of Statutory Auditors), TERNA Rete Elettrica Nazionale SpA (Board of Directors, Board of Statutory Auditors), Cerved Group SpA (Board of Statutory Auditors), ENAV SpA (Board of Directors), Moncler SpA (Board of Statutory Auditors), Pirelli & C. SpA (Board of Directors), Mediaset SpA (Board of Statutory Auditors), BPER Banca SpA (Board of Directors), Mediobanca SpA (Board of Directors, Board of Statutory Auditors).

**Engagement: meetings with issuers**

During 2020, ANIMA SGR held numerous meetings (including those promoted by the Managers' Committee) with the management teams (or independent directors) of Italian companies subject to the standard management monitoring of companies whose shares are present in the portfolios of the funds under management. As part of the activities carried out with the support of the Managers' Committee, representing the asset management companies that are members of Assogestioni, engagement meetings were held with the following companies:

RAIWay SpA, ASTM SpA, SNAM Rete Gas SpA, Atlantia SpA, Mediobanca SpA, Mediaset SpA, IREN SpA, Guala Closures SpA, Danieli & C. Officine Meccaniche SpA, A2A SpA.

These meetings were held in compliance with the principles of one-way engagement (i.e., by sending the arguments and considerations put forward by the Managers' Committee without the management team present at the meeting exchanging its views), or two-way engagement (with the management team present at the meeting also exchanging its views). For all meetings, the Managers' Committee requested in advance that no sensitive, confidential and/or price sensitive information be disclosed, the content of which had not already been made public. The engagement meetings were generally, or alternatively, focused on business plans, development prospects, challenges and critical issues in the context of the industry sectors of reference, as well as on the management of corporate governance, relations with minority shareholders and the effectiveness and efficiency of communications with the public and the markets.

### 5.3 Exercising voting rights

---

ANIMA SGR has undertaken to exercise the voting rights pertaining to the shares present in the UCITS under management in a reasonable and responsible manner, in the firm belief that actively using these rights in the exclusive interest of its clients can increase the long-term value of their investments and contribute to the better functioning of the financial markets and the corporate governance of issuing companies. ANIMA SGR has exercised these rights either via the 'ISS Institutional Shareholder Services Inc.' proxy voting web platform, or by granting dedicated proxies to specific individuals containing explicit, binding instructions.

Votes are formulated in accordance with the ANIMA SGR voting policy, which states the general criteria that ANIMA SGR must adhere to when analysing the various items on shareholders' meeting agendas. When assessing corporate governance practices, specific factors relating to the company under analysis are taken into consideration, with particular reference to its size and operational context, considering also the protection of shareholder rights, the methods used to appoint and the composition of the Board of Directors (BoD) and the Board of Statutory Auditors, the methods used to select and the duties of the independent audit firm, the efficiency and objectivity of the internal audit system, the analysis of the financial situation, the approval of accounts, the remuneration policies and incentive systems, any changes to the articles of association and the adoption of specific corporate social responsibility programmes. In addition, over the course of 2020, the criteria provided for by the policy were expanded to also take into consideration specific ESG (Environmental, Social, Governance) factors. It was therefore agreed that, when formulating its voting recommendations, the ISS proxy advisor would refer to guidelines in line with sustainable business practices (regarding the environment, fair treatment at work, non-discriminatory policies and protection of human rights) within a framework of initiatives such as the United Nations Environment Program Finance Initiative (UNEP FI), United Nations Principles for Responsible Investment (UNPRI), United Nations Global Compact, Global Reporting Initiative (GRI), Carbon Principles, International Labor Organization Conventions (ILO), CERES Principles, Global Sullivan Principles, MacBride Principles, and European Union Directives on social and environmental matters.



With regard to Italian companies whose company bodies were to be elected or reappointed (Board of Directors, Board of Statutory Auditors, shareholders' representatives), votes to support the lists of minority representatives were generally expressed in line with the engagement initiatives for the presentation of minority lists taken in collaboration with the Managers' Committee (made up of representatives of the asset management companies that are members of Assogestioni and other institutional investors). The right to vote was not, on the other hand, exercised in relation to shares in companies that directly or indirectly control ANIMA SGR SpA and that may be held by the portfolios of the UCITS under management; the right to vote was also not exercised in situations presenting potential conflicts of interest.

The companies falling within the scope of the stewardship policy as 'significant issuers', for which the right to vote was exercised in 2020, were the following:

Banca Farmafactoring SpA, Italmobiliare SpA, Banco di Desio e della Brianza SpA, FinecoBank SpA, Openjobmetis SpA, Salcef Group SpA, Iren SpA, Fine Foods & Pharmaceuticals N.T.M. SpA, Equita Group SpA, Caltagirone SpA, FNM SpA, SeSa SpA, Mediobanca SpA.

During 2020, the right to vote was exercised at the shareholders' meetings of the following Italian and foreign listed companies:

3M Company, A2A SpA, AbbVie Inc., Acea SpA, Aeffe SpA, Alexion Pharmaceuticals Inc., Allianz SE, Amazon.com Inc., Amgen Inc., Anglo American Plc, Anheuser-Busch InBev SA/NV, Apple Inc., Assicurazioni Generali SpA, ASTM SpA, AstraZeneca Plc, Banca Farmafactoring SpA, Banca Generali SpA, Banco di Desio e della Brianza SpA, Banco Santander SA, Barclays Plc, Bayer AG, Berkshire Hathaway Inc., BP Plc, BPER Banca SpA, Brembo SpA, Bristol-Myers Squibb Company, Buzzi Unicem SpA, Cairo Communication SpA, Caltagirone SpA, Canadian Natural Resources Limited, Capital One Financial Corporation, Centene Corporation, Cerved Group SpA, Chevron Corporation, Citigroup Inc., Colgate-Palmolive Company, Credito Emiliano SpA, Daimler AG, Danieli & C. Officine Meccaniche SpA, E.ON SE, ENAV SpA, Enel SpA, Eni SpA, Equita Group SpA, ERG SpA, EXOR NV, Exxon Mobil Corporation, Facebook Inc., Fine Foods & Pharmaceuticals N.T.M. SpA, FinecoBank SpA, FNM SpA, Garofalo Health Care SpA, General Electric Company, Gilead Sciences Inc., Heineken NV, Infineon Technologies AG, Infrastrutture Wireless Italiane SpA, ING Groep NV, Intel Corporation, International Business Machines Corporation, Intesa Sanpaolo SpA, Iren SpA, Italmobiliare SpA, Johnson & Johnson, JPMorgan Chase & Co., Kellogg Company, Kirin Holdings Co. Ltd., Linde Plc, MARR SpA, Mediaset SpA, Mediobanca SpA, Moncler SpA, Mondelez International Inc., Nexi SpA, Openjobmetis SpA, PayPal Holdings Inc., PepsiCo Inc., Pfizer Inc., Pirelli & C. SpA, Prysmian SpA, Reckitt Benckiser Group Plc, Recordati SpA, Renesas Electronics Corp., Repsol SA, Royal Dutch Shell Plc, RWE AG, Saipem SpA, Salcef Group SpA, Salvatore Ferragamo SpA, SAP SE, SeSa SpA, Siemens AG, SNAM SpA, SOL SpA, Teladoc Health Inc., Telecom Italia SpA, TERN Rete Elettrica Nazionale SpA, Tesco Plc, The Bank of New York Mellon Corporation, The Clorox Company, The Walt Disney Company, UniCredit SpA, Unilever NV, United Parcel Service Inc., Verizon Communications Inc., Wells Fargo & Company, Westinghouse Air Brake Technologies Corporation.

Overall, ANIMA voted in 111 shareholders' meetings of Italian and foreign companies in 2020, remaining in line with the principles set out in its policy; in around 15% of cases, it expressed a different vote with respect to the recommendation made by the respective company's management.

With regard to the voting activities carried out, ANIMA supported, inter alia, various motions put forward by minority shareholders aimed at obtaining greater transparency or engagement from the issuers regarding environmental or social matters.

## 6. PROMOTION AND COLLABORATION TO IMPLEMENT THE PRINCIPLES

Back in 2019, ANIMA endorsed:

- ▶ the UNPRI Group statement on its “Commitment to support a just transition on climate change” (3 April 2019);
- ▶ the UNPRI Group statement on “ESG Credit Ratings” (4 April 2019), a working group to define specific ESG ratings for bond instruments.

In 2020, ANIMA worked with other collective engagement initiatives on the PRI platform (Human Rights Risks in the Xinjiang Uyghur Autonomous Region, Investors Policy Working Group on Deforestation in Brazil, PRI Consultation on human rights framework, letter to the US Department of Labor on ESG and Financial Factors in Selecting Plan Investments), and joined a CDP collective engagement initiative to define targets for the reduction of greenhouse gas emissions, set on a scientific basis. ANIMA also renewed its membership to CDP, a non-profit organisation that promotes a data collection and reporting system relating to the most important environmental impact factors.

In addition, over the course of 2020, ANIMA set up a series of periodic ESG practice/training sessions held by both company employees and external speakers. These sessions were intended for all company departments in order to encourage a broader and deeper general understanding of the ESG issues, tools and approaches integrated into the company’s investment process. ANIMA also described its ESG approach in the 2020 edition of the ALTIS “Master’s in Finance: tools, markets and sustainability”.

ANIMA also followed up on its ESG commitment as a Group. In fact, during the second half of 2020, a project was launched to strengthen the procedures, commitments and information provided to the public regarding ESG issues, also by the parent company ANIMA Holding. In particular, new initiatives included all Group companies being awarded ISO 14001 certification (Environmental management systems) and ISO 45001 certification (Occupational health and safety management systems) in December 2020.

Also in December 2020, the Board of Directors of ANIMA Holding approved an amendment to the regulations for its internal audit and risk committee, appointing the latter to also be responsible for sustainability issues, integrated into the company’s risk monitoring and management system.

The parent company also approved the ANIMA Group Sustainability Policy, which adds to and expands upon the provisions already present in the 2014 Code of Ethics and Conduct (also recently updated). This Sustainability Policy has been implemented by all Group companies.

## 7. OUTLOOK FOR 2021

The entry into force of EU regulations on sustainable investments<sup>3</sup> has made a decisive contribution to the definition of a clearer framework of solutions for integrating ESG factors into investment processes. ANIMA shall continue to take action regarding ESG matters in 2021, in line with these regulatory developments, with a view to further improving the monitoring and control of sustainability risks and the ESG strategies applied to the portfolios under management, thereby contributing to increasing their value over time.

<sup>3</sup> Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector, and Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.