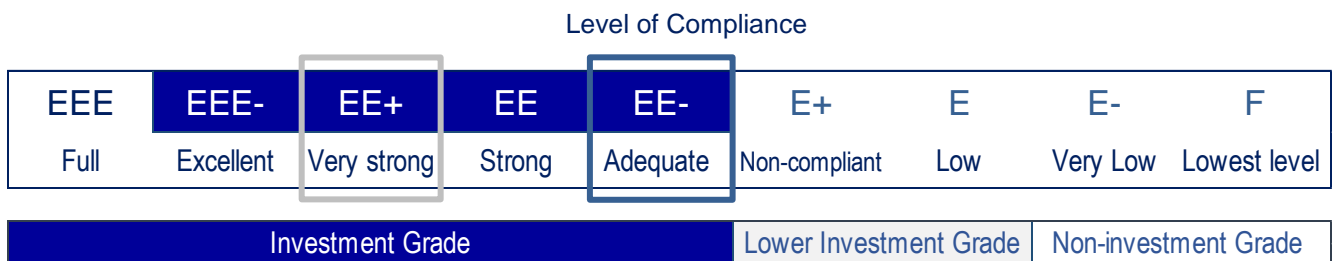


Standard Ethics Rating [SER]: **EE-** *Outlook stable*
 Long Term Expected SER [4y to 5y]: **EE+**

Issuer: Anima Holding Spa
Listing: Milan Stock Exchange
ISIN: IT0004998065
Market Capitalisation: 1.2 bln EUR
Sector: Financials
Industry: Asset Management
Type of rating: Corporate Standard Ethics Rating [SER]
Last Issue Date: 23 May 2019
Expiry Date: 23 May 2020
Previous SER: -
Type of document: Rating Report



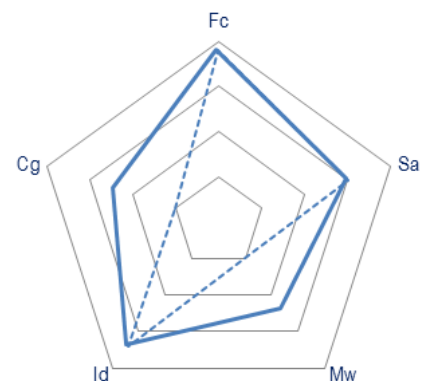
Summary

Anima Holding is an Italian group operating in the asset management industry. Its activities are focused primarily on the areas of portfolio management and collective management. Its internal policies appear to be advanced on a number of issues, such as: anti money laundering (AML) and anti-corruption; information-sharing and dialogue with investors; HR management and employee welfare; risk management, control and compliance; dematerialisation; the use of advanced technologies in line with ESG objectives.

With regard to sustainability, the Company plans on introducing references, principles and policies linked to international recommendations in its Code of Ethics and management model, both formally and strategically.

Overall, these areas already appear to be in line with the best practices in the industry. The long-term outlook is positive.

Snapshot



Regarding the major areas of assessment, further improvements can be done in: ESG reporting, strategy and sustainability governance.

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BACKGROUND, METHODOLOGY, RATING

New elements – such as the evolution of the Internet – have created open and transparent financial markets, in which growing segments of the population participate. This has resulted in:

- greater attention to **extra-financial** factors, both tangible and intangible, with repercussions on the level of trust and credibility of issuers;
- new assessments of the quality and long-term durability of listed financial products, related to both companies (stocks, bonds, green bonds) or institutional issuers (such as government bonds).

Standard Ethics has ascertained that we have reached the end of the classic financial era, which was focused exclusively on economic variables. Despite their fallibility and volatility, regulated markets have evolved and are proving to be the most important and independent system in assessing the long-term **sustainability**¹ of numerous human activities.

The Standard Ethics Rating helps refine the strategies, language and ways in which an issuer operates on the market.

STANDARD ETHICS

Standard Ethics Ltd (**SE**) is an independent agency that assigns Solicited Sustainability Ratings (SSR) to companies and sovereign nations.² The Standard Ethics® brand has been around since 2004 in the world of “sustainable finance” and ESG (Environmental, Social and Governance) studies.

Standard Ethics is supervised by internal control and audit offices. The composition of the Board complies with the international guidelines on diversity of nationality, professional skills, independence and gender equality.

STANDARD ETHICS RATING

The Standard Ethics Rating, which has been put to the test over the last 15 years, is a Solicited Sustainability Rating (SSR). It has 3 main characteristics:

- Solicited: it is issued only at the request of an applicant, by means of a direct, bilateral and regulated agreement.

¹ Standard Ethics believes that **sustainability** is governed by **three laws**:

1. *Sustainable development policies are about the generations of the future; they have taken on a global dimension; and they are implemented on a voluntary basis. It is up to the main supranational organisations, officially recognised by nations across the globe, to establish the definitions, guidelines and strategies related to sustainable development through science.*

2. *Economic entities do not define the guidelines, goals and strategies on sustainability: they pursue them to the extent deemed possible.*

3. *Measuring the sustainability of economic entities means providing comparable and third-party data on their overall compliance with international guidelines.*

“Standard Ethics devises three laws of Sustainability”. <http://www.standardethics.eu/media/press-releases.html>

² SE can issue unsolicited ratings to create and maintain national sustainability indices. SE regularly publishes on its website and updates the ratings of listed companies that are components of its indices.

- **Standard:** it is always comparable to other ratings, as the methodology and issuance parameters are aligned to pre-established guidelines, and the algorithm takes into account the size and typology of the issuer. In the case of Standard Ethics, the parameters include the guidelines set by the European Union, the OECD and the United Nations on governance, sustainability and CSR (Corporate Social Responsibility).
- **Independent:** The rating agency guarantees its impartiality and independence, as it is offering the applicant only a rating service. It does not provide consulting services, it does not use the data gathered for asset management advisory services (to banks or funds) and it does not share it with third parties. Lastly, it does not share any financial or economic interests with the applicant.

In short, the Standard Ethics Rating indicates the level of compliance by companies (and sovereign nations) in the field of sustainability on the basis of documents and guidelines published by:

- the European Union (EU);
- the Organisation for Economic Cooperation and Development (OECD);
- the United Nations (UN).

Standard Ethics uses an analyst-driven rating process, meaning the analysis performed does not require applicants to fill out forms and questionnaires or to provide any documents other than those already available. It is the job of Standard Ethics analysts to gather the required data.

SE ANALYSIS UNIT

According to the methodology, guidelines and procedures of Standard Ethics, the Analysis Unit working on this rating has carefully analysed the following areas based on the set-up of **Anima Holding** (the areas have been divided into 220 analysis points):

1. MARKET AND COMPETITORS (13 analysis points)
2. MARKET AND DOMINANT POSITIONS (10 analysis points)
3. CONTRACTS, FINANCING AND PUBLIC AID (7 analysis points)
4. MARKET DISTORTIONS, FAVOURITISM & CORRUPTION (7 analysis points)
5. OWNERSHIP, SHARE CAPITAL AND SHAREHOLDERS (8 analysis points)
6. INTERNAL VOLUNTARY RULES ON DIRECTORS (8 analysis points)
7. INDEPENDENCE AND CONFLICTS OF INTEREST (12 analysis points)
8. PROTECTION OF NON-CONTROLLING (MINORITY) SHAREHOLDERS AND APPOINTMENT OF DIRECTORS (7 analysis points)
9. COMMUNICATION, INFORMATION AND TRANSPARENCY (5 analysis points)
10. TRANSPARENCY OF BOARD OF DIRECTORS AND EXECUTIVE GROUPS (9 analysis points)
11. INTERNAL VOLUNTARY RULES ON MANAGEMENT (10 analysis points)
12. DIRECTORS AND CONFLICTS OF INTEREST (13 analysis points)
13. DISCLOSURE AND TRANSPARENCY (22 analysis points)
14. PARTICIPATING AND VOTING IN GENERAL SHAREHOLDERS' MEETINGS (5 analysis points)
15. HIRING POLICIES AND HUMAN RESOURCE MANAGEMENT (11 analysis points)
16. HEALTH AND SAFETY IN THE WORKPLACE (16 analysis points)
17. ADAPTING TO CHANGES (6 analysis points)
18. ENVIRONMENT (17 analysis points)
19. CONSUMERS AND QUALITY (9 analysis points)
20. SCIENCE AND TECHNOLOGY (4 analysis points)

21. LOCAL COMMUNITIES (3 analysis points)
22. BUSINESS PARTNERS (9 analysis points)
23. HUMAN RIGHTS (6 analysis points)
24. EUROPEAN STRATEGIES (2 analysis points)

RESEARCH OFFICE AND RATING COMMITTEE

The Research Office compiles a report and issues a rating based on its review of the work of the Analysis Unit.
 The Rating Committee analyses the conformity of the collected data and the ensuing conclusions and it approves the issued rating.
 Chinese Walls between the Analysis Unit, the Research Office, the Rating Committee and all other company offices ensure maximum transparency. A Compliance Officer oversees all steps and processes.

SE ALGORITHM OF SUSTAINABILITY ©

Standard Ethics has developed a **proprietary algorithm** based on five "standards" and a premium variable - "k" - to process the data provided by the Analysis Unit (F_{cEU} ; $S_{aEU-OECD}$; Mw ; $I_{dEU-OECD}$; $C_{gUN-OECD-EU}$). The balance between the five "standards" is the final pre-assessment underlying the rating.

F_{cEU} = Fair competition. Main areas: Fair competition, including analysis of dominant positions, market distortions, cartels. Factors that can affect the other variables (Sources: the EU, and the main OECD regulators).

$S_{aEU-OECD}$ = Shareholders' agreements. Main areas: Shareholders' agreements, rights of minority shareholders, access to information (Sources: the EU and OECD, and the main OECD regulators).

Mw = Market weight. Main areas: Shareholding structure, weight and type of major shareholders, potential conflicts of interest in relation to other variables (Sources: mainly OECD regulators).

$I_{dEU-OECD}$ = Independent directorship. Main areas: Structure and quality of boards and executive groups, Risk and Control Management system, Risk Analysis. This standard is most likely to mitigate the risks associated with other variables and can increase the "k" variable. (Sources: the EU and the OECD).

$C_{gUN-OECD-EU}$ = Corporate Governance and Sustainability. Main areas: Overall assessment of applicant's ESG strategies, ESG reporting and corporate governance (in terms of shareholding structure and sustainability) by weighting the various elements also in relation to the balance of the other variables (Sources: the EU, OECD and UN).

k = Sustainability at Risk (SaR). Statistical projections.

$\frac{(F_{cEU} + S_{aEU-OECD} + I_{dEU-OECD} + Mw * f(S_{aEU-OECD}) * f(I_{dEU-OECD}) + C_{gUN-OECD-EU} * f(F_{cEU}) * f(I_{dEU-OECD}))}{10} + k$	©
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ISSUED RATING

Standard Ethics Rating [SER]: **EE-**
 Long-Term Expected SER [4y to 5y]: **EE+**

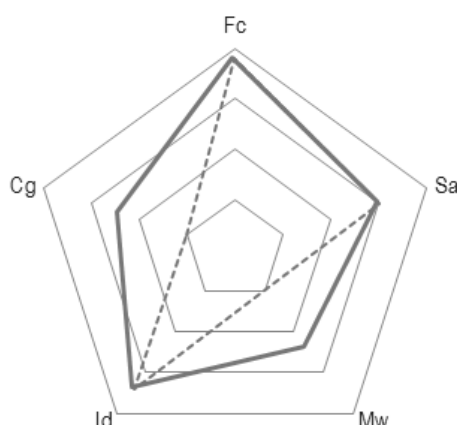
ALGORITHM – INPUT
 VALUES (SUMMARY)

The values for each standard are between **0 and 2**.

Assigned and input values are as follows:

- Fc**_{EU} = 1.9
- Sa**_{EU-OECD} = 1.5
- Mw** = 0.5
- Id**_{EU-OECD} = 1.7
- Cg**_{UN-OECD-EU} = 0.5

The values are subsequently adjusted by the algorithm.
 See final diagram below:



Other listed companies operating in the “Banking” and “Asset Management” Industries³:

BNP Paribas	EE+	JPMorgan Chase	EE-	UBS Group	E+
Nordea Bank*	EE+	Mediobanca	EE-	Banca Finnat	E
Unicredit	EE+	Mizuho Financial Group Inc.	EE-	Banca IFIS	E
UnipolSai	EE+	Skandinaviska Enskilda B.	EE-	Banca Intermobiliare	E
BBVA	EE	Societe Generale	EE-	Banco Desio Brianza	E
FinecoBank	EE	Standard Chartered	EE-	Barclays Plc	E
HSBC Holding	EE	Allied Irish Banks	E+	BNP Paribas Fortis	E
Intesa Sanpaolo	EE	Azimut Holding	E+	China Construction Bank	E
Svenska Handelsbanken	EE	Banca Profilo	E+	Credit Agricole	E
Swedbank*	EE	Banco Comercial Português	E+	Credit Industriel et Comm.	E
UBI Banca	EE	Banco Santander	E+	DNB Group	E
ABN Amro	EE-	Bank of Ireland	E+	Erste Group Bank	E
Banca Generali	EE-	Bankinter	E+	KBC Group	E
Banca MPS	EE-	Caixabank	E+	National Bank of Greece	E
Banca Popolare di Sondrio	EE-	Credit Suisse	E+	Bank of China	E-
Banca Pop. Emilia Romagna	EE-	CYBG Plc	E+	Deutsche Bank	E-
Banco BPM	EE-	Goldman Sachs	E+	Mediolanum	E-
Banco de Sabadell	EE-	ING Group	E+	Royal Bank of Scotland	E-
Bankia	EE-	Lloyds Banking Group	E+	Banca Carige	Pending
Commerzbank	EE-	Mitsubishi UFJ Financial G.	E+	Danske Bank	Pending
Credito Valtellinese*	EE-	Natixis	E+		
Deutsche Pfandbriefbank	EE-	Raiffeisen Bank International	E+		

*Companies Under Monitoring.

³ The full list of the international and Italian companies operating in the industries are available on SE’s website: www.standardethicsrating.eu.

ANIMA HOLDING REPORT

1. MARKET AND DOMINANT POSITIONS

Anima Holding Spa (hereinafter **Anima** or the **Company**) is an Italian group operating in the asset management industry. Its activities are focused primarily on the areas of portfolio management and collective management.⁴

The **Anima** Group is the result of a process of aggregation, begun in 2008, of companies active in Italy and abroad in the asset management industry.

Anima's core business was launched in 1983. In 1999, the Company was acquired by **Banco di Desio e della Brianza** and in 2005, it was listed on the Italian Stock Exchange. In 2007, **Banca Popolare di Milano (BPM)** first acquired a stake in the Company and then its entire share capital (2008), subsequently integrating it into **Bipiemme Gestioni Sgr** (2009) under the name Anima. In April 2010, Anima acquired **Etruria Fund Management** from Banca Etruria, a Luxembourg-based company operating as an open-ended mutual fund and providing asset management services. At the same time, in 2009, Banca Mps and Clessidra signed a strategic alliance aimed at establishing **Prima Sgr**.

In 2010, Banca Popolare di Milano joined the project and in 2011 completed the merger of Anima Sgr and Prima Sgr: the new company now fell under the control of Asset Management Holding (known as Anima Holding today). In 2012, the Company signed an agreement with the **Creval Group** for the development of a strategic alliance in asset management.

Anima Holding was listed on the Italian Stock Exchange in 2014, offering 63% of its share capital. BPM and Banca Mps, strategic partners of the Anima Group, remained shareholders even after the Company went public.

In June **2015**, the **Poste Italiane** Group acquired 10.3% of the Anima Holding's share capital from Banca Mps and in July, BancoPosta Fondi Sgr and Anima signed an industrial cooperation agreement in the retail asset management industry. At the end of **2017**, **Poste Italiane** and **Anima** announced they had reached an agreement on strengthening their partnership in asset management and on the partial demerger of the asset management activities underlying the Poste Group's Branch I insurance products in favour of Anima Sgr.⁵ Again at the end of 2017, Anima finalized the purchase of 100% of **Aletti Gestielle Sgr** from Banco BPM, and in February 2018, Anima and Banco BPM announced an agreement for the transfer of mandates for the delegated management of assets underlying insurance products and the launch of a new strategic

⁴ In a Press Release issued by the Board of Directors on 8 April 2019, Anima Holding S.p.A. defined the Group as: "[...] The leading independent provider of asset management services in Italy, with total assets under management (AUM) of approximately 178 billion Euros (as at 31 March 2019). Thanks to a combination of diverse and complementary backgrounds and expertise, today, the ANIMA Group offers one of the widest range of products and services on the market. The ANIMA Group's areas of business are divided into mutual funds – under Italian law – and SICAVs – under foreign law. It also offers complementary pension services to companies and individuals, in addition to asset and institutional management services. There is therefore a significant diversification of its activities, which is why Anima Holding S.p.A. is one of the main companies operating in the asset management industry, with a wide range of mutual funds (under Italian law) and SICAVs (under foreign law), as well as corporate and private pensions. It also provides asset and institutional management services". (Source: Anima Holding S.p.A., BoD Press Release, 21 March 2018).

⁵ See footnotes below for more details.

partnership in the insurance field. During 2018, Anima finalised these deals, and incorporated Aletti Gestielle Sgr into Anima Sgr on 1 December 2018.

The Italian and European financial markets in which the Company operates are **free and open**.⁶

Its activities are supervised and strictly regulated.⁷

The Group's operating company (Anima Sgr) is subject to the European Union's regulatory framework governing financial intermediaries, financial stability and macro-prudential policy. It is also subject to the supervision of the Bank of Italy and Consob (the Italian Securities and Exchange Commission) within the scope of their respective powers: the Bank of Italy, after consulting Consob, authorises Anima Sgr to offer collective asset management services; the Bank of Italy monitors the organisational structure, capital adequacy and management risks of Anima Sgr; Consob oversees the transparency and correctness of its conduct, of its negotiation procedures and ensures investors are protected.

In terms of **fair competition**,⁸ the market in which Anima operates is characterised by regulatory, strategic and size-related entry barriers. Operating in a **highly-regulated sector** means that Anima faces a series of risks that do not affect other financial sectors.

These include **compliance risks; operational risks**, i.e. business activities in relation to management; and operational risks related to **data management**. **Size-related barriers** are linked to the capital requirements and economies of scale needed to compete sustainably, while **strategic barriers** include the lawful conduct adopted by existing companies to discourage new market entrants

2. CONTRACTS, FINANCING AND PUBLIC AID

To date, the Company has not received any **public funding**.

⁶ The Italian market is part of the European Single Market. As per the rules and regulations established by the Treaty of Lisbon, and specifically the principles of free movement of people, goods and capital, there are no market barriers or restrictions.

⁷ Since the Banking Law of 1926 and especially that of 1936, Italy has always enjoyed a well-regulated financial and banking system. Amendments were introduced between 1944 and 1947 and subsequently, between 1960 and 1990, with the extension of the number and powers of the supervisory authorities. The Italian Constitution, under Article 47, gives clear instructions to the lawmaker about the "protection of savings, regardless of type", underlining that all activities in this field must be overseen and regulated by the law. National legislation has become even more rigorous since the 1990s, with the introduction of an improved regulatory framework (see the 1991 Regulation and the 1993 Consolidated Act on Banking). Today, the Italian financial system is regulated by the Consolidated Act on Banking (TUB), the Consolidated Act on Finance (TUF), the Act on the protection of savings (Law 262/2005) and subsequent measures, such as the reform of financial intermediation under Legislative Decree 141/2010, by means of which Directive 48/2008/EC was transposed into national law. The purpose of said regulations is to guarantee an adequate level of transparency and to increase the guarantees for savers. Specific powers, scopes of action, coordination and the exchange of information between various authorities, such as the Bank of Italy, Consob (Italian Securities and Exchange Commission), Covip (Supervisory Committee on Pension Funds), Isvap (Institute supervising private pension funds) and Agcm (Italian Antitrust Authority) are envisaged.

⁸ Anima's main competitors on the Italian market (with a threshold of more than 10%) are the Generali Group and Intesa Sanpaolo, with a market share of 24% and 19.7% respectively. Although their market share is less than 10%, Anima's other significant competitors on the Italian market are: Amundi (9.6%), Blackrock (3.8%), Ubi Banca (3.0%), Allianz (2.4%), Mediolanum (2.3%), Axa (2.1%), Azimut (2.0%), JP Morgan (1.8%), Arca (1.6%), BNP Paribas (1.5%), Invesco (1.3%), Pictet (1.3%), Fidelity (1.2%), Deutsche Bank (1.1%), Morgan Stanley (1.0%), Schroders (1.0%), M&G Investments (1.0%).

3. MARKET DISTORTIONS,
FAVOURITISM &
CORRUPTION

The Company protects itself from the risk of favouritism, nepotism and from any form of conduct that damages the dignity, professionalism and equality of its employees, through its **Code of Ethics**⁹ and voluntary **policies** covering money laundering and suspicious transactions and the prevention of criminal activities. The same applies to its relations with public bodies.¹⁰

With regard to **whistleblowing**, in addition to the regulations at national and European level,¹¹ the Company has adopted its own **policy**, which includes a series of specific internal provisions.¹²

4. INTERNAL VOLUNTARY
RULES ON OWNERSHIP

Anima Holding **has been listed** on the Italian Stock Exchange since 2014. It went public with approximately 63% of its share capital.¹³

Anima's **share capital** amounts to € 7,291,809.72, divided into € 380,036,892 ordinary shares.

Anima's **main shareholders** are: **Banco Bpm**, with a share capital of 14.27%; **Gruppo Poste Italiane** with 10.04%; **River and Mercantile Asset Management** with a share capital of 5.05%; **Wellington Management Group** with a share capital of 4.87%; **Norges Bank**, with a share capital of 3.62%; **Aviva Investors Global Services** with a share capital of 2.73%.¹⁴

The Company has not issued securities conferring **special control rights** and has not adopted statutory provisions allowing for **multiple votes** or **increased voting rights**.

There are **no privileges** or obligations (neither existing nor planned) for specific shareholders or bondholders.

⁹ As stated in Articles 17 and 18 of the Company's Code of Ethics, relations with the supervisory and judicial authorities must be based on criteria of integrity, correctness, professionalism and transparency, in compliance with the procedures laid down by the applicable regulations, and by using and submitting complete statements and documents. In addition to the provisions under the Code of Ethics, the Company has adopted voluntary policies on fighting money laundering and suspicious transactions and on preventing criminal activities and terrorist financing.

¹⁰ See the Company's Code of Ethics, Art. 16 (1-3).

¹¹ The most recent measure provided for by Italian law on whistleblowing dates back to 2017, with Law 179 of 30/11/2017, (Official Gazette, 14/12/2017). The subject of whistleblowing was taken up by the European Commission in 2018, following the campaign that was launched to request comments and suggestions. The campaign ended on 29 May 2018. A more recent Directive on the subject of whistleblowing was amended and then approved by the European Parliament on 19 April 2019. Italian legislation should be updated accordingly by the competent bodies according to the new guidelines provided in the aforementioned Directive. In this regard, the following measures of the European Commission are worth mentioning: Draft Directive of the European Parliament and of the Council on "the protection of persons reporting on breaches of Union law" COM (2018) 218 final 2018/0106 (COD) and the Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on "strengthening the protection of whistleblowers at European Union level" COM (2018) 214 final). Source: http://www.europarl.europa.eu/doceo/document/A-8-2018-0398-AM-155-155_EN.pdf.

¹² "Employees can report any "unlawful conduct", which comprises any action and/or omission made whilst working or which has an impact on the same, which may constitute a violation of the rules governing the asset management industry or which causes or may cause damage or prejudice to Anima S.p.A.'s reputation and/or its employees and therefore: - include conduct based on exact and concordant facts of which the whistleblower has become aware due to his work; - are detailed and specify the facts and conduct in contrast with the legislation, indicating, where possible, the legal scope of reference (231/2001, 231/2007, Consolidated Act on Finance (TUF), Market Abuse, etc. ...). Below is a description of the "minimum contents" provided and the communication channels made available to the whistleblower.

¹³ According to a note from the Company, "2014 was another key year, with the listing of Anima Holding on the Italian Stock Exchange: about 63% of the company's capital was placed on the Italian market (demand was more than five times the offer). Bpm and Banca Mps, strategic partners of the Anima Group, were still shareholders, even after the listing. In June 2015, the Poste Italiane Group acquired 10.3% of ANIMA Holding SpA shares from Banca Mps and in July, BancoPosta Fondi SGR and Anima, stakeholders in the retail asset management industry, entered into a cooperation agreement".

¹⁴ Source: Report on the Corporate Governance and Ownership Model of Anima Holding S.p.A. (ex-123-bis of the Consolidated Act on Finance (TUF)) and Compliance with the Corporate Governance Code for Listed Companies. FY 2018.

There is a **shareholders' agreement** that affects about 8.1% of the share capital.¹⁵

5. OWNERSHIP AND CONFLICT OF INTERESTS

Of Anima's main shareholders with a share capital greater than or equal to 5%, some operate in the same market segment with a potential conflict of interest: **Banco BPM; River and Mercantile Asset Management**.

None of the main shareholders is a public authority. None of them is involved in regulating the market segment in which Anima operates. However, the Italian Government, which has a direct or indirect role in market regulation, is a shareholder in **Poste Italiane**, one of the holdings of the Group, through the Italian Ministry of Finance (MEF). However, it is not a direct shareholder.¹⁶

Overall, the Company has adopted **suitable measures** to protect its management independence and to ensure that all shareholders – including minority shareholders – and the market have access to the **relevant information**.¹⁷

6. PROTECTION OF NON-CONTROLLING (MINORITY) SHAREHOLDERS AND APPOINTMENT OF DIRECTORS

The **representation of minority shareholders** has been suitably addressed in the Company's **Articles of Association**.¹⁸

Indeed, Anima recently amended its Articles of Association, specifically the composition of the corporate bodies and the appointment of members. It replaced the majority rule principle with the **proportionality principle**.¹⁹

7. INTERNAL VOLUNTARY RULES ON DIRECTORS

Anima's **Board of Directors** is composed of 9 members, 3 of whom are women. All of them are Italian nationals.²⁰

¹⁵ The agreement was signed by Banco Bpm SpA and Anima Holding SpA pursuant to the Memorandum of Understanding of 2017 which included, among others, the sale of Aletti Gestielle SGR and a framework partnership agreement on, *inter alia*, the distribution by the Banco Bpm Group of funds and assets of the Anima Group. The agreement provided for a "Lock-Up" for Banco Bpm (until June 2020) on a certain majority share of its shareholding. On the basis of the shareholders' agreement between Banco BPM and Anima Holding, the shareholders' meeting of Anima (held on 29 March 2019) also unanimously approved a proportional amendment to the system used for electing the Board of Directors. Source: Consob (the Italian Securities and Exchange Commission).

¹⁶ Although no regulations have been voluntarily adopted by the major shareholders to ensure that their choices do not compromise the independence of the investee company, in Italy there are specific requirements for independence provided by Art. 148 of the Consolidated Act on Finance (TUF), as well as by the Corporate Governance Code for Listed Companies.

¹⁷ As far as information is concerned, the Company follows the best practices of listed companies. It has set up a special section on its website where shareholders can access all relevant information.

¹⁸ Overall, the rights of the Company's shareholders are protected by national and European standards, which are aligned with the principles of the OECD. With regard to the lists of shareholders: "*Shareholders who, alone or together with other shareholders, hold shares amounting to at least 2.5% of the share capital and who enjoy voting rights in the ordinary shareholders' meeting, or who hold shares amounting to the lowest percentage as required by law or the regulations applicable from time to time, have the right to submit lists*". (Source: Articles of Association, Art. 13).

¹⁹ The main features of the new mechanism for appointing the Board of Directors are as follows: the number of Directors provided for by the Articles of Association is no longer fixed (9), but variable (from 9 to 11), according to the decision of the shareholders' meeting at the time of appointment. The deadlines, procedures and quorums for the submission of lists by shareholders have remained substantially unchanged and refer to the provisions of the law and regulations in force. The rules governing the number of independent directors and gender parity remained unchanged, in compliance with the provisions of the Consolidated Act on Finance (TUF) and the recommendations of the Corporate Governance Code for Listed Companies. Therefore, each list submitted by the shareholders, which is composed of at least three candidates, must include a number of independent candidates that is equal to at least 1/3 of the total (rounded down) and a number of candidates of the less represented gender that is equal to at least 1/3 (rounded up). The Board of Directors shall be appointed by means of a proportional system based on the votes obtained at the Shareholders' Meeting from all the lists that were duly submitted. Source: Anima Holding.

The Board's composition complies with the theory of **pluralism** instead of **nationality**. **Gender equality** has not been achieved.²¹

Six **independent directors**²² represent the **absolute majority** on the Board of Directors.

With the exception of the CEO, the members of the Board are all **non-executive members**.

There do **not** seem to be any cases of **cross-directorship** of any kind in companies associated with or belonging to the main shareholders of Anima.

The Board of Directors has duly created a **Risk and Control Committee**²³ and an **Appointments and Remuneration Committee**,²⁴ both of which make recommendations and offer advice.²⁵

The Board does not have any **employee representatives**.

The members of the Board have to comply with the **principles** envisaged in Anima's **Code of Ethics**, the main tool comprising **Internal Voluntary Rules (IVR)** that are not found in Italian legislation.

The corporate governance rules of the Company do not include any additional measures on the protection of minority shareholders.

8. DIRECTORS AND CONFLICTS OF INTEREST

The **independence requirements** for Directors are laid down in the Consolidated Act on Finance (TUF) and are included in the Corporate Governance Code for Listed Companies.²⁶ In addition to said requirements, and always in compliance with the law, there are also the standard safeguards against **conflicts of interest**, which have been inserted in the Code of Ethics.

²⁰ The Members of the Board of Directors are: Livio Raimondi, Chairman; Marco Carreri, CEO; Maria Patrizia Grieco; Francesca Pasinelli; Francesco Valsecchi; Guido Guzzetti; Antonello Di Mascio (as of 27 May 2019); Gianfranco Venuti; Karen Sylvie Nahum.

²¹ The Company is suitably compliant with national legislation, which requires that at least one third of the Board members be women (Law 120/2011). However, the adoption and formalisation of measures needed to achieve gender equality on the Board is important and needs to be considered. Also worth considering are the more rigorous methods for the selection of candidates and the traceability of the process, all of which is possible thanks to increasingly specific guidelines, such as the guidelines of the Basel Committee, BCBS (Enhancing Corporate Governance for Banking Organisations) and the Financial Stability Board. These guidelines are well-known and were adopted in the banking system following the 2008 financial crisis. Said guidelines deal with gender parity (and overcoming the notion of "balance"), adequate internationalisation, diverse professional experience, and the "performance requirements" of Directors.

²² The Board of Directors ascertains its independence on the basis of the information available and the documentation provided, both with reference to the independence requirements of the Consolidated Act on Finance (TUF) and to the requirements of the Code. The Board's independence is checked annually before the Corporate Governance Report is approved. Source: Corporate Governance Report, pg. 21.

²³ As at 13 May 2019, the Risk and Control Committee comprises 3 non-executive members: Livio Raimondi, Francesca Pasinelli and Francesco Valsecchi.

²⁴ As at 13 May 2019, the Appointments and Remuneration Committee comprises 3 non-executive members: Livio Raimondi, Maria Patrizia Grieco and Karen Sylvie Nahum.

²⁵ It is common practice to invite corporate directors and managers to meetings of the Board of Directors to discuss matters in which they are directly involved. In specific cases, external consultants may also be invited for the same reason. Source: Corporate Governance Report, pg. 19.

²⁶ Art.148 of the Consolidated Act on Finance (TUF). Corporate Governance Code for Listed Companies, pg. 21-22.

To date, there are no shareholders' agreements involving the directors and managers of the Company.

To date, there are no directors or managers working in national and local government bodies, judicial bodies, licensing bodies or supervisory authorities.

The remuneration of Directors is published in the Corporate Governance Report and Remuneration Report.²⁷

The Company has made it clear that **gifts** are not to be accepted.²⁸

9. DISCLOSURE AND STAKEHOLDERS

The Company has yet to adopt standard **ESG reporting** practices. It plans on formally adopting the sustainability-related principles and strategies provided in international recommendations and incorporating them into its governance structure and Code of Ethics. The Company's governance model appears to be in line with the principles of good governance and sustainability promoted by the EU and OECD.

The "**comply or explain**" principle has been adopted through the Corporate Governance Code for Listed Companies.

10. PARTICIPATING AND VOTING IN GENERAL SHAREHOLDERS' MEETINGS

The Company has adopted the best practices of listed companies with regard to the management of shareholders' meetings and communicating the necessary information. The investor relations model of the Company helps to foster dialogue with shareholders and institutional investors prior to meetings.²⁹

11. HIRING POLICIES AND HUMAN RESOURCE MANAGEMENT

As at 31 December 2018, the Anima Group had 321 **employees**.³⁰

Employees are selected and hired according to the principles provided in the Code of Ethics. The process is well regulated by procedures that appear to be exhaustive and impartial.

There are no corporate objectives or policies addressing the issue of gender diversity or encouraging more women in managerial positions.³¹

As for **hiring people with disabilities and protected classes**, the Company makes use of the services offered by the city.³²

²⁷ The remuneration of the members of the BoD was determined by the Ordinary Shareholders' Meeting of the Company held on 27 April 2017. The Board of Directors has the right to assign additional remuneration to any Directors who have special roles, pursuant to Article 2389 (3) of the Italian Civil Code, after hearing the opinion of the Board of Statutory Auditors. Following the appointment of a new Chairman of the Board of Directors, the remuneration of the new Chairman, Mr. Livio Raimondi, was confirmed by the Ordinary Shareholders' Meeting of 21 June 2018.

²⁸ Source: Articles 21 and 22 of the Code of Ethics.

²⁹ As already stated, the Company, in line with the good practices of listed companies, has set up a special section for investors, which they can access from the home page of the Company's website. The section also contains important information for the Company's shareholders, so that they can consciously exercise their rights.

³⁰ In 2017, the Company had 315 employees. In 2016, it had just 246.

³¹ It is worth noting that the Company is involved in monitoring and analysis activities. It is part of the Italian Asset Management Association's (Assogestioni) discussions on the subject.

³² These categories are either integrated into the workforce directly (through agreements on recruitment plans) or indirectly, through social cooperatives that provide ancillary services.

12. HEALTH AND SAFETY IN THE WORKPLACE

Employee welfare is well outlined. The Company has policies at various levels.³³

With regard to the **health and safety** of employees, in addition to the national regulations (which in Italy are very strict)³⁴, Anima has addressed the issue in its Code of Ethics with suitable policies.³⁵

With regard to the management of employer-employee relationships, including any **issues** raised by employees, the Company carries out **internal investigations** by means of a **questionnaire**.³⁶

13. ADAPTING TO CHANGES

The risks for stakeholders due to delocalization and changes within the Company, which are important to the EU and OECD, appear to be residual in this case.

Albeit no references have been made to specific forms of action in this area, Anima is committed to the integration of its merged companies, promoting meetings between companies and training events for all staff members.

14. ENVIRONMENT

The subject of the environment is broached in a very general manner in the **Code of Ethics**.³⁷

The Company has no environmental **certifications**. It is getting ready to launch programmes that will reduce its electricity consumption.³⁸ **Dematerialisation** policies have been put in place.³⁹

15. CONSUMERS AND QUALITY

The Group has a special **customer support service** that meets the requirements of distributors and retail customers.⁴⁰

Reports are drawn up on complaints. The handling of complaints is regulated by internal procedures.⁴¹

³³ The services offered by Anima to its employees include insurance schemes (for sickness and accidents) that generally include family members and partners; annual medical check-ups; long term care; complementary social security for both fixed-term and permanent contracts with company contributions; agreements with banks for access to credit (mortgages/loans); tax assistance for employees; special permit classes for university studies; incentives for family members who earn degrees; and on-site facilities such as a gym. Source: Anima.

³⁴ In addition to the Safety Manual, the Risk Assessment Document (DVR) and compulsory training, the Company also monitors the health of its employees by assessing their exposure to risks related to desk work and stress, thereby exceeding certain obligations stemming from national legislation on occupational safety and health (Legislative Decree 81/08). Eighty medical examinations have been planned for 2019. Source: Anima.

³⁵ With regard to safety, see Article 19 of the Code of Ethics, which deals with "safety", "psychological and physical health" and "preventive actions".

³⁶ The questionnaire is anonymous. All data remain anonymous, even when the questionnaires are processed. The questions deal with a number of points, including: workload; organisation and working environment; type and level of independence in the workplace; support and resources provided by the company, including the quality of the information received from colleagues and superiors; management of any friction or conflict; the role, duties and responsibilities of the respondent; organisational changes, how they are managed and communicated. Source: Anima.

³⁷ Art. 20 of the Code of Ethics defines the environment as "*an asset for the community that the Company wants to protect*".

³⁸ Measures are being evaluated to assess the impact of its offices.

³⁹ The Company pursues advanced policies on dematerialisation. These include the extensive use of digital signatures by customers and a shift from the paper to the digital world. The positive impact of this shift on logistics (shipping) and execution times, on managing anomalies (guided procedure) and risk management, on the better provision of information on reporting, control and monitoring, and on costs is well known.

⁴⁰ The Team offers distribution and customer support services.

⁴¹ The Compliance Manager of Anima Sgr handles and processes the complaints received and indicates the measures to be taken. Anima Sgr, in addition to the collective asset management services referred to in Article 33 of the Consolidated Act on

16. SCIENCE AND TECHNOLOGY

Training projects have been developed to increase the skills of employees.⁴²

Partnerships with the **academic world** (also in e-learning) have been activated.⁴³

Anima Sgr has adopted *AI-Fintech* technologies⁴⁴ in certain business processes in order to effectively handle a large amount of data and significantly reduce human intervention, its impact on logistics, and the physicality associated with some processes.⁴⁵

The Company is aware of the **European Union's ethical guidelines on artificial intelligence**.

17. LOCAL COMMUNITIES

Anima helps the local community by means of **donations**.⁴⁶

18. BUSINESS PARTNERS

The Company has significant commercial ties and agreements that have an impact on a wide range of customers.⁴⁷

It has established a **policy** on the governance and management of suppliers within the Anima Group and its subsidiaries. ESG practices related to supplies have been introduced and are expected to be fully implemented.

Consultants, suppliers and other third parties associated with the Company are expected to **comply with the principles** set out in the Company's Code of Ethics.

19. HUMAN RIGHTS

The Company is likely to introduce more detailed references to the main international legal instruments for the protection of human rights, including the **United Nations Universal Declaration of Human Rights** and the **European Convention on Human Rights and Fundamental Freedoms**.

20. EUROPEAN STRATEGIES

European sustainability strategies appear to be largely in place. More comprehensive strategic documents and policies can be expected in the medium-term.

Finance and subsequent amendments, also provides management services on an individual basis and has established and manages an open-ended pension fund. Source: Anima.

⁴² Examples include: improving the communication skills of the Sales Division, also in terms of conveying the notions required for a conscious type of risk management; acquiring effective time management techniques in order to organise and plan activities in the best possible way; improving the communication impact for presentations to the Investments Department; investing in the Company's "young people", to develop their abilities to deal creatively with problems and critical areas. Source: Anima

⁴³ In terms of working with universities, the Company sponsors/subsidises the Master's in Finance at the *Politecnico* of Milan, the Master's in Ethical Finance at the Università Cattolica del Sacro Cuore in Milan, training activities through courses on offer at Bocconi and the Università Cattolica del Sacro Cuore in Milan. Source: Anima.

⁴⁴ *Fintech* refers to the financial innovation brought about by technology that is capable of generating new business models, applications, processes and products. It's impact on financial markets, institutions and financial services is significant.

⁴⁵ Specifically, the introduction of Robotic Process Automation, which is applied to business processes that are more repetitive and/or standardized, and Robo Advisor, aimed at digital on-boarding. Source: Anima.

⁴⁶ For example, by sponsoring university courses, or sporting and / or charity events.

⁴⁷ The Company has distribution agreements with over 100 banks and financial advisor networks. Of these, worth mentioning are the partnerships with Poste Italiane, Banco BPM, Banca Monte dei Paschi, Credito Valtellinese and Banca Popolare di Puglia and Basilicata.

21. CONCLUSIONS

Anima Holding is an Italian group operating in the asset management industry. Its activities are focused primarily on the areas of portfolio management and collective management.

Its internal policies appear to be advanced on a number of issues, such as: anti money laundering (AML) and anti-corruption; information-sharing and dialogue with investors; HR management and employee welfare; risk management, control and compliance; dematerialisation; the use of advanced technologies in line with ESG objectives.

With regard to sustainability, the Company plans on introducing references, principles and policies linked to international recommendations in its Code of Ethics and management model, both formally and strategically. Overall, these areas already appear to be in line with the best practices in the industry.

The long-term outlook is positive.

* * *

SOURCES

Where no dates are shown, the most recent versions shall prevail

The documents that have been consulted were published by Anima Holding prior to 21 May 2019.

The main sources are, but are not limited to, the Code of Ethics; Corporate Governance Report; Shareholders' Report; Remuneration Report; Articles of Association; Internal Regulations and Procedures; Minutes of the Meetings of the Board of Directors with amendments to the Articles of Association; Consolidated Financial Statements; Internal Company Press Releases.

Data and information provided during meetings and in correspondence with members of the Group have also been used.

Other Sources

Documents provided by national and European regulatory bodies, the Italian Stock Exchange and independent sites have also been consulted (published prior to 21 May 2019).

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