ANIMA

Sustainability-related information pursuant to art. 10 of EU Reg. 2019/2088 ("SFDR") for "ANIMA INTERNATIONAL BOND", which promotes environmental or social characteristics according to art. 8 SFDR

	Date	Description
First version	28-06-2022	First version of the document
First review	01-01-2023	Updated in accordance with Article 24 of Delegated Regulation (EU) 2022/1288
Second review	13-05-2024	Rewording of sections (a) and (h)

a) Summary

1. This financial product promotes environmental and social characteristics, while limiting the weight of issuers with low ESG quality.
2. Although this product only promotes environmental and social characteristics, it does not have sustainable investment objective.
3. In particular, the product only promotes the preservation of the environment and natural resources, and fair work conditions, democracy, human and social rights on the social side, as pursued by government issuers. For corporate issuers, it also promotes the fight against climate change, the respect for human rights, the protection of human health, and the protection of human well-being.
4. The responsible investment strategy is to pursue the environmental and social characteristics described in the previous point and the limitation of investment in low quality ESG issuers, following, in addition, the allocative criteria described in the next point.
5. A minimum proportion of 85% of the financial product net assets are invested in issuers which promote the environmental and social characteristics as detailed in the sections above and which have an ESG Combined Score higher than 25. Investments in any financial products classified as either Article 8 SFDR or Article 9 SFDR are also considered to be aligned with the environmental and social characteristics promoted by the financial product. Up to 15% of the financial product's net assets may be invested in money market instruments or consists of margins, collateral and market value of derivative instruments, or a mix of those and investments in issuers that have no ESG Combined Score or have an ESG Combined Score lower than 25 (limited to corporate issuers, assuming they have passed the good governance test), subject to a maximum limit of 10% of the financial product net assets for the latter.
6. Environmental and social characteristics are pursued by the Portfolio Management team on a discretionary basis. The Manager's Risk Management team monitors the adherence of the portfolio to its strategy on an ongoing basis.
7. The methodologies, used for assessing the environmental and social characteristics of the countries and investee companies and for identifying issuers subject to exclusion, are those developed by the third-party providers specifically selected by the Manager.
8. The data are those produced by the third-party providers and can be either those reported by the companies themselves or estimated by the provider (see paragraph (h) below); they are managed and processed electronically, via computer flows that directly connect the third-party providers with the Manager's Risk Management team.
9. The main limitations of the analysis methods are the degree of coverage of portfolio issuers by external providers, possible inaccuracies resulting from the normalization of different measurement systems used by different providers, and the use of data estimated by them.

10. The correct application of ESG assessments is ensured by the automatic way in which they are downloaded or transposed, as well as by the parameterization of ESG limits in the front office and risk management system.
11. With reference to active shareholding practices, the SGR, in addition to adhering to the Italian Stewardship Principles issued by Assogestioni, has prepared a documented and publicly available policy "ANIMA - Engagement Policy," summarized in paragraph k) below.
12. The financial product does not have a reference benchmark for the purpose of measuring the achievement of its promoted environmental or social characteristics.

b) No sustainable investment objective

This financial product promotes environmental and social characteristics, but does not have as its objective sustainable investments.

c) Environmental or social characteristics of the financial product

This financial product promotes both the preservation of the environment and natural resources, and fair work conditions, democracy, and human and social rights on the social side, as pursued by government issuers. From a corporate point of view, this financial product promotes also the following environmental and social characteristics:

- the fight against climate change,
- the respect of human rights,
- the protection of human health,
- the protection of human well-being

d) Investment strategy

The financial product ESG strategy is based on two pillars:

1. the promotion of certain environmental and social characteristics,
2. the limitation of investments in issuers with low ESG quality.

More specifically:

1. This financial product promotes in particular:
    a. the fight against climate change through the exclusion of corporate issuers involved in the production of thermal coal for more than 30% of their revenues,
    b. the respect of human rights, through the exclusion of:
        i. corporate issuers involved in the production of controversial weapons, which include anti-personnel land mines, cluster munitions, biological, chemical, blinding weapons, white phosphorus, nuclear armaments and which have mostly been banned by UN treaties,
        ii. countries sanctioned at the central government level by the UN for systematic violations of human rights,
    c. the protection of human health, through the exclusion of issuers involved in the production of tobacco,
    d. the protection of human well-being, through the exclusion of corporate issuers involved in the gambling sector.

    The above exclusions are determined by the Manager based on the analysis carried out by specialized third party index and ESG data providers, in particular:

    - Urgewald for thermal coal,
    - Moody's-Vigeo for controversial weapons,

- Morningstar-Sustainalytics for countries sanctioned by UN for systematic violations of human rights,
- MSCI, ICE-BofA indices for identifying issuers involved in tobacco and gambling.

2. The ESG quality of the financial product is monitored to avoid a high concentration of poorly rated issuers, where the concentration is taken into consideration in absolute terms (i.e. with reference to the net assets of the financial product) and not relative to the financial product's benchmark (i.e. not in relation to its composition in terms of ESG scores). Issuers are selected so that less than 10% of the financial product's net assets are invested in corporate or government issuers without an ESG Combined Score or with an ESG Combined Score below 25 (limited to corporate issuers, assuming they have passed the good governance test), on a scale from 0 to 100 (where 100 is the maximum/best).

Regarding the application of ESG scores to corporate or government issuers, the Manager uses scoring data of third party ESG data providers. In particular:

- Refinitiv provides ESG scores and ratings for corporates,
- Morningstar-Sustainalytics provides ESG scores, ratings and analyses for countries.

The overall ESG quality of the financial portfolio is monitored on a continuous basis and issuers with no ESG Combined Score or with an ESG Combined Score lower than 25 are evaluated at each quarterly meeting of the ESG Committee of the Manager.

The above exclusions and limitations do not apply to positions derived from investments in other collective investment schemes or in index derivatives.

e) Proportion of investments

The financial product's strategic asset allocation is defined by its risk-return profile and implemented through the active investment in variable proportions.

A minimum proportion of 85% of the financial product net assets are invested in issuers which promote the environmental and social characteristics as detailed in the sections above and which have an ESG Combined Score higher than 25. Investments in any financial products classified as either Article 8 SFDR or Article 9 SFDR are also considered to be aligned with the environmental and social characteristics promoted by the financial product.

Up to 15% of the financial product's net assets may be invested in money market instruments or consists of margins, collateral and market value of derivative instruments, or a mix of those and investments in issuers that have no ESG Combined Score or have an ESG Combined Score lower than 25 (limited to corporate issuers, assuming they have passed the good governance test), subject to a maximum limit of 10% of the financial product net assets for the latter. Those issuers that have no ESG Combined Score or have an ESG Combined Score lower than 25 are deemed to be of interest from a strictly financial point of view and/or, given their characteristics, help to complete the thematic, sector and geographic profile of the portfolio. Those issuers will still be compliant with the exclusion criteria set out in the "Investment Strategy" section above.

The aforementioned thresholds of the 85% and the 15% will be complied with barring extraordinary market conditions and always in the interest of subscribers as of the end of the placement period for term funds and as of the first day of variable tranche for open-end funds. Compliance with the maximum 10% threshold mentioned above, however, is not subject to extraordinary exceptions.

f) Monitoring of environmental or social characteristics

The investment strategy is implemented by the portfolio management team on a discretionary basis. The risk management team monitors on an ongoing basis the compliance of the financial product with the ESG investment strategy, having due regard to ESG data provided by third party data providers. Any deviation from the intended ESG investment strategy (i.e. due to price movement or revision of the ESG classification/scoring of the assets in which this financial product is invested into) is analyzed by the Manager and due consideration is given as to the continued holding, or not, as the case may be, of the relevant assets within the portfolio of the financial product, taking into account the best interests of its investors.

g) Methodologies

The methodologies, used to assess the environmental and social characteristics of the countries and investee companies and to identify issuers subject to exclusion, are those developed by the third-party providers selected, including Refinitiv, Morningstar-Sustainalytics, Moody's-Vigeo, ISS, MSCI, and ICE.
Further details on the analysis of the methodologies used can be found on the websites of the above-mentioned companies, who are among the best known and widely used on the market, so that their well appreciated professional skills are the main assurance on the quality of their ESG data.

h) Data sources and processing

The data, used for assessing the environmental and social characteristics of countries and investee companies and for identifying issuers subject to exclusion, are those produced by the third-party providers used and can be either those reported by the companies themselves or estimated (by the provider). In this regard, it is noted that, specifically, Refinitiv uses only reported data, while Morningstar-Sustainalytics uses on average 27.50% of estimated data. It is also reasonable to assume that the use of estimated data will decrease over time, given the coming obligations for companies to publish a larger set of sustainability related information and data points.
At the moment, the Manager doesn't use internally estimated ESG data.
Data are managed and processed electronically, via informatic flows directly connecting third party providers with the Risk Management of the Asset Manager.

i) Limitations to methodologies and data

The main limitations to the analysis described above are represented by the degree of ESG coverage of the issuers in the portfolio of the financial product by external suppliers and by the possible inaccuracies deriving from the standardization of different measurement systems used by the various suppliers for the calculation of issuers ESG scores and the use of data estimated by them.
Such limitations do not affect how the environmental and social characteristics promoted by this financial product are met, because the ESG coverage of the invested issuers is very high.

j) Due diligence

The correct application of ESG assessments to the financial product assets is ensured by the automatic and electronic acquisition of third party ESG data, as carried out by the internal Risk Management function. Furthermore, the binding elements of the investment strategy are translated into investment restrictions, which are defined by the Manager ESG Committee, approved by its Product Committee and shared with the BoD. Those quantitative restrictions are then applied to the compliance software by the Risk Management team of the Manager.

k) Engagement policies

With reference to active share ownership practices, the Manager, in addition to adhering to the Italian Stewardship Principles issued by Assogestioni based on the EFAMA Stewardship Code, has prepared a documented and publicly available policy (see https://www.animasgr.it/EN/sustainability/Pages/Policies-procedures.aspx) in which it describes how:

- it monitors investee companies, with shares admitted to trading on a regulated market in Italy or in another EU Member State, on relevant issues, including strategy, financial and non-financial results as well as risks, capital structure, social and environmental impact and corporate governance;
- it communicates with investee companies;
- it exercises voting rights and other rights connected to the shares;
- it collaborates with other shareholders;
- it communicates with the relevant stakeholders of the investee companies.

l) Designated reference banchmark

The financial product does not have a reference benchmark for the purpose of measuring the achievement of its promoted environmental or social characteristics.