Sustainability-related information pursuant to art. 10 of EU Reg. 2019/2088 ("SFDR") for "ANIMA ITALY", 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)
Third review	28-02-2026	Rewording of sections b), c), d), e), g), h)

a) Summary

1. This financial product promotes environmental and social characteristics described below, while limiting the weight of issuers with low ESG quality.
2. Even if this financial product only promotes environmental and social characteristics and does not have as its objective sustainable investments, it is still committed to invest at least 21% of its net assets in issuers which have been defined "SFDR" sustainable, under the criteria set into an algorithm developed internally by the Manager. Sustainable issuers pass a "good governance" test, a good E and S quality test and a "do no significant harm" – DNSH- test (based on the "principal adverse impacts" indicators) and contribute positively to environmental and or social thematics.
3. In particular, 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 fight against climate change, the respect of human rights, the protection of human health, the protection of human well-being, the protection of additional environmental, social, and governance aspects.
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, in accordance with the binding elements of the investment strategy, and which have an ESG Score higher than 1.429/10. 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. The financial product invests at least 21% of its assets into issuers SFDR sustainable, as defined by an algorithm developed by the Manager. 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

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Score or have an ESG Score lower than 1.429/10 (provided 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. Still, it will invest a minimum of 21% of its assets in issuers defined as “SFDR” sustainable according to an internal algorithm of the Asset Manager. This algorithm provides that issuers are considered sustainable if they:

- comply with the exclusion criteria mentioned in paragraph d);
- pass the DNSH test;
- pass a Good Governance test (internally defined by the Portfolio Manager);
- pass a general E and S test, which is set at the level of 1.429 out 10 for their E and S scores, on a scale that goes from 0 to 10, 10 being the maximum/best score;
- contribute positively to the sustainability process in at least one of the following three areas: Climate Transition, Environment or Society. Positive contribution is measured based on issuers' involvement in specific initiatives or based on best-in-class criteria related to specific environmental and/or social factors. Both the three areas and the criteria for positive contribution, as mentioned above, are defined internally by the Manager, based on data and analyses provided by the third-party providers used. Specifically, an issuer is deemed to contribute positively to:

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- Climate Transition, if it has committed to a plan to reduce its emissions in line with a target of limiting global warming to below 2°C, where that plan has been positively assessed by the Science Based Targets initiative (SBTi);
- the Environment, if its environmental score, based on several indicators related to climate change, resource use, waste management and environmental opportunities, is equal or greater than 4.286/10;
- Society, if its social score, based both on the presence of several corporate social and ethical responsibility policies.

The assessment that issuers considered to be sustainable do not cause significant harm to other sustainable investment objectives is carried out based on the Do No Significant Harm test (DNSH, developed internally by the Asset Manager), which, in line with regulatory recommendations, is based on the mandatory Principal Indicators of Adverse Impact (PAI, see the RTS to the SFDR). Investments are considered to cause significant harm when they involve issuers that:

- do not publish data on Carbon Footprint, Carbon Intensity and Board Gender Diversity,
- are involved in the fossil fuels sector (PAI 4) or the controversial weapons sector (PAI 14),
- are involved in very severe controversies related to compliance with the UN Global Compact and OECD requirements for multinational companies,
- exceed strict threshold values (specifically identified by the Asset Manager based on a diversified sample of issuers worldwide) for any of the following PAI indicators: 2*, 3*, 5, 6*, 8, 9, 12 and 13,
- exceed critical thresholds (specifically identified by the Asset Manager based on a diversified sample of issuers worldwide) for at least 4 of the following PAI indicators: 2*, 3*, 5, 6*, 7, 8, 9, 10, 11, 12 and 13.

Note *: it should be noted that, for the purposes of the DNSH test, absolute GHG emissions levels (PAI 1) are used to calculate PAIs 2 and 3; also, Carbon Footprint and GHG Intensity are calculated considering only Scope 1 and 2 emissions.

The alignment of sustainable investments with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights is pursued through several investment selection and management criteria, explained above and consistent with the aforementioned guidelines. In particular:

- exclusions relating to controversial weapons, which apply to all investments;
- exclusions based on the DNSH principle, applied through the definition of threshold levels on PAI indicators;
- exclusions of environmental or social ratings that fall into the worst quartile of the rankings based on the data provided by specialized third party providers;
- inclusions based on the identification of positive contributions to climate, social or environmental objectives;
- application to equity investments of the voting rights policy, based on the third party provider (ISS) model, which takes into account specific ESG factors and refers to guidelines consistent with sustainable business practices on the environment, fair treatment of labour, non-discriminatory policies and protection of human rights, framed in initiatives such as those of the United Nations Environment Programme Finance Initiative (UNEP FI), United Nations Principles for Responsible Investment (UNPRI), United Nations Global Compact, Global Reporting Initiative (GRI), Carbon Principles, International Labour Organisation Conventions (ILO), CERES Principles, Global Sullivan Principles,

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MacBride Principles and the European Union Directives on social and environmental issues.

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;
- the protection and respect of human rights, the safeguarding of fair labour standards, the preservation of the environment, and the fight against corruption.

The promotion of the above environmental and social characteristics are evaluated by the Manager based on the analysis carried out by specialised third party ESG data providers.

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 companies involved in the entire thermal coal value chain, specifically in the energy production, energy industry support services, and extraction sectors, which accounts for more than 30% of their revenues, as identified through data and analysis from the third-party data provider used by the Manager;
    b. the respect of human rights or other significant violations of international law through the exclusion of:
        i. corporate issuers involved in the production or commercialization of controversial weapons, which include anti-personnel land mines, cluster munitions, biological, chemical, blinding weapons, depleted uranium, white phosphorus and nuclear armaments and which have mostly been banned by UN treaties, as identified through data and analysis from the third-party data provider used by the Manager;
        ii. countries sanctioned, as identified by the ESG Policy to which the financial product adheres, based on data and analysis from the third-party data provider used by the Manager;
    c. the protection of human health through the exclusion of issuers involved in the cultivation and production of tobacco, as identified through the third-party data provider's sectoral classification;
    d. the protection of human well-being through the exclusion of corporate issuers involved in the gambling sector, as identified through the third-party data provider's sectoral classification;

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e. the protection and respect of human rights, the safeguarding of fair labour standards, the preservation of the environment, and the fight against corruption through the exclusion of issuers violating the UNGC principles or OECD guidelines for multinational enterprises, as identified through data and analysis from the third-party data provider used by the Manager.

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

2. The ESG quality of the financial product portfolio is monitored to avoid a high concentration of ESG lowly rated issuers in the financial product, 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 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 net assets are invested in corporate or government issuers without an ESG Score or with an ESG Score below 1.429/10 (assuming they have passed the good governance test), on a scale from 0 to 10 (where 10 is the maximum/best). Furthermore, a minimum proportion of 85% of the financial product net assets are invested in issuers which promote the environmental and social characteristics, in accordance with the binding elements of the investment strategy and which have an ESG Score higher than 1.429/10. 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. While the financial product does not have sustainable investing as its objective, the financial product seeks to invest a minimum of 21% of its assets in sustainable investments with an environmental and/or social objective.
   Regarding the application of ESG scores for corporate or government issuers, the Manager uses scoring data of third party ESG data providers.
   The overall ESG quality of the portfolio is monitored on a continuous basis and issuers with an ESG Score lower than 1.429/10 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, in accordance with the binding elements of the investment strategy and which have an ESG Score higher than 1.429/10. 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. While the financial product does not have sustainable investing as its objective, the financial product seeks to invest a minimum of 21% of its assets in sustainable investments with an environmental and/or social objective, as detailed in the sections above.
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 Score or have an ESG Score lower than 1.429/10 (provided they have passed the good

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governance test), subject to a maximum limit of 10% of the financial product net assets for the latter. Those issuers that have no ESG Score or have an ESG Score lower than 1.429/10 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 portfolio 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 the 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, taking into account the best interests of the financial product.

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. Further details on the analysis of the methodologies used can be found on the websites of the 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, for the corporate asset class, the third-party provider uses estimates solely to assess exposure to risks or opportunities related to specific relevant themes and sectors where companies do not provide detailed data. In general, no more than 15% of a company's rating may be based on estimates, although this may vary depending on the sector. However, in most cases, no estimated values are used. With respect to the government asset class, the use of estimates is even more limited, representing approximately 7% of the total data. In this area as well, estimated values are generally not used.
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.

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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 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.

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