



ESG Report 2023

**Anima SGR's Environmental,
Social & Governance Commitment**



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Updated as at 30 June 2023

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ESG AT ANIMA SGR: THE YEAR IN A NUTSHELL

As part of its increasing focus on the Principles for Responsible Investment, in 2022 and the first six months of 2023 the Anima SGR Group performed several activities, of which the most important are described below.

As regard actions to integrate ESG criteria into the investment process, Anima SGR:

1. Updated its ESG Policy in line with changes to legislation, in particular as regards the SFDR Regulation and the SRDII Directive;
2. Identified which Sustainable Development Goals (SDGs) Anima SGR is committed to contributing to through its investment activities, specifically SDG 3, 12, 13, 16 and 17;
3. Developed a new sustainability algorithm which identifies the proportion of sustainable investments in the portfolios;
4. Further expanded its suite of tools/providers to monitor risks, ESG profiles and the negative impacts on sustainability factors of its own investments;
5. Defined and adopted more stringent ESG criteria in the management policy adopted for 38 existing financial products including mutual funds under Italian law, sub-funds of the open pension fund and the Sicav Anima Fund. The adoption of these more stringent criteria led to an improvement in the SFDR classification of all products involved and they are now offered as financial products that promote environmental and social characteristics under Article 8 of Regulation (EU) 2019/2088;
6. Identified Principal Adverse Impacts (PAIs) on sustainability factors for all products, in line with SFDR definitions;
7. Identified Principal Adverse Impacts (PAIs) on priority sustainability factors, in line with SFDR requirements, and published the Disclosure on PAIs on sustainability factors at company level according to SFDR requirements¹;
8. Launched the first product under Art. 9 of the SFDR, Anima Azionario Internazionale Net Zero, which aims to contribute to climate change mitigation by investing in companies that are considered sustainable according to the proprietary algorithm of Anima SGR and that are included on the SBTi² 1.5° list;
9. Delivered specific ESG training courses to all personnel, such as the “ESG: the new EU legislative framework and its impacts on asset management” course;
10. Held a number of internal training sessions on ESG integration issues, processes, and strategies;
11. Provided support to institutional clients and underwriters on SFDR regulatory and legislative updates.

As regards actions concerning active ownership, Anima SGR:

1. Joined several national and international collective engagement initiatives;
2. Launched individual ESG engagement initiatives;
3. In 2022, participated in submissions of minority lists for the corporate officers and directors of 29 companies;
4. In 2022, voted in 156 corporate meetings in line with its voting rights policy, which takes into account the sustainability profiles of issuers;
5. Attended various foreign issuers’ meetings, supporting and voting on several motions submitted by minority shareholders on specific ESG issues;
6. Supported the CDP Science Based Target (SBT) Campaign for 2022, signed the Business Letter in Support of Ambitious EU Sustainability Reporting Standards (ESRS) promoted by CDP and

¹ https://www.animasgr.it/d/IT/Downloads/Altri%20IR/Entity%20PAI%20Statement_EN.pdf

² <https://sciencebasedtargets.org>

signed, on the PRI collaborative platform, the letter of support to EU legislators for the issuance of the Corporate Sustainability Reporting Directive;

7. Took part in several collective engagement activities with companies whose securities were in some of the managed portfolios, including Leonardo, Carrefour and RWE AG.

As regards actions concerning reporting and cooperation, Anima SGR:

1. Attended and voted at the UNPRI's AGM for the approval of financial reports and appointment of the new Board of Directors;
2. Renewed its membership to CDP, a non-profit organisation that promotes a system of data collection and reporting regarding environmental impact factors;
3. Published the 2022 ESG Report³, complete with disclosure of policies and shareholder engagement activities in 2021;
4. Published the 2022 Sustainability Report on its corporate website⁴;
5. Published the 2022 Engagement Report on its corporate website⁵;
6. Renewed its membership of the Task Force on Climate Related Disclosure (TCFD) and the UN Global Compact;
7. Joined the Sustainable Finance Forum, a not-for-profit, multi-stakeholder association established in 2001 with the goal of promoting the inclusion of environmental, social and governance (ESG) criteria into financial products and processes;
8. Joined the Institutional Investors Group on Climate Change (IIGCC), a European membership body for investor collaboration on climate change;
9. Participated in Assogestioni workgroups on sustainability issues;
10. Supported the Global Compact Network Italy Foundation, which aims to support businesses in aligning with and contributing to the Sustainable Development Goals (SDGs);
11. Prepared European ESG Templates (EET) for each product; the EET is a standardised template used for reporting and exchanging data on the ESG criteria adopted, in compliance with current regulations on sustainable investments;
12. Supported the development of a Second Level Master's Programme in Sustainable Finance (FinS) at the ALTIS Business School (Alta Scuola Impresa e Società);
13. Supported the Department of Statistical Sciences at La Sapienza University in its work on the role of sustainable investments in portfolio selection;
14. Conducted a financial education initiative available on its corporate website dedicated to ESG issues, "ESG video pills: entrepreneur Pravettoni," which consisted of 6 episodes introducing various topics such as environmental, social, and governance sustainability.

³ https://www.animasgr.it/d//IT/Downloads/Altri%20IR/Report-ESG-2022_EN.pdf

⁴ https://www.animasgr.it/d//IT/Downloads/Altri%20IR/Rapporto%20sostenibilita%CC%80_EN_def.pdf

⁵ https://www.animasgr.it/d//IT/Downloads/Altri%20IR/Relazione%20Feb%202023%20su%20Politica%20d'impegno_EN.pdf

ANIMA SGR'S ESG ACTIVITY

As one of Italy's leading independent asset management groups, Anima SGR has a duty to act in the interests of its customers by promoting investments aimed at generating long-term and sustainable value. Considering its role as a fiduciary, the AMC believes that environmental, social, and corporate governance (ESG) issues related to the issuers of securities can impact the performance of managed portfolios over time, at the level of individual companies, sectors, geographic areas, and asset classes. By taking these issues into account in its investment decisions, the AMC is able to align the interests of its investors with broader societal goals.

Anima has declared its commitment to ESG by adopting the Principles for Responsible Investment since 2018. By subscribing to these Principles, Anima SGR undertakes to:

1. integrate environmental, social and governance aspects into investment analysis and decision-making processes;
2. operate as an active shareholder, incorporating ESG aspects into traditional shareholder policies and practices, and requiring adequate communication on ESG issues by investee companies;
3. comply with certain standards of reporting and cooperation among system players, including with respect to ESG issues.

To meet these commitments, the Anima Group takes the following actions:

1. Integration
 - Applies an approach to Responsible Investment differentiated by product, as specified in the proposal or contract documentation and in its own policies;
 - Holds training sessions on ESG integration issues, processes, and strategies;
 - Excludes investments in government securities issued by states sanctioned by the United Nations for regular and deliberate human rights violations;
 - Excludes investments in companies directly engaged in the production or sale of weapons that violate basic humanitarian principles prohibited by UN Conventions (anti-personnel mines, cluster bombs, depleted uranium weapons, biological weapons, chemical weapons, non-detectable fragments weapons, laser weapons, incendiary weapons);
 - Actively monitors the ESG profiles of its investments, based on a proprietary ESG scoring system powered by databases of ESG ratings from specialised third-party providers;
 - Actively monitors investments in EU-sanctioned sovereign issuers;
 - For all Art. 8 and 9 products, excludes issuers involved in nuclear weapons and steam coal production from its investments, and monitors companies that commit serious violations of the principles of the UN Global Compact;
 - Identifies Principal Adverse Impacts (PAIs) on sustainability factors for all products, in line with SFDR definitions.
2. Active ownership
 - Supports several national and international collective engagement initiatives;
 - Launches individual ESG engagement initiatives;
 - Participates in the work of the Managers' Committee for the presentation of independent candidates in the control bodies of Italian listed companies, as part of minority lists;
 - Votes in corporate meetings in line with its voting rights policy, which takes into account the sustainability profiles of issuers;
 - Attends various foreign issuers' meetings, supporting and voting on motions submitted by minority shareholders on specific ESG issues.

3. Reporting and cooperation

- Publishes an annual PRI Report and participates in PRI activities and initiatives;
- Publishes an annual ESG Report which describes all of the ESG activities performed in the previous year;
- Publishes the Sustainability Report on its corporate website;
- Subscribes to several collective initiatives including CDP, Task Force on Climate Related Disclosure (TCFD), UN Global Compact, Sustainable Finance Forum, and the Institutional Investors Group on Climate Change (IIGCC);
- Participates in Assogestioni workgroups on sustainability issues.

PRI REPORT

Signatory of:



UNPRI - United Nations Principles for Responsible Investment - is an association inspired by the UN to promote the adoption of responsible investment principles by companies and investors. As of the end of March 2022 more than 4,900 asset managers and institutional investors had signed the Principles. ANIMA SGR, Italy's first independent asset management company, has adopted the Principles for Responsible Investment since 2018.

By subscribing to these Principles, Anima SGR undertakes to (i) incorporate environmental, social and governance aspects into investment analysis and decision-making processes; (i) operate as an active shareholder, ensuring that attention to ESG issues are also incorporated in traditional shareholder policies and practices; (iii) require adequate disclosure on ESG issues by investee companies; and (iv) comply with certain standards of reporting and cooperation among system players, including with respect to such issues.

The actual fulfilment of these commitments is outlined by the signatories in an annual report, i.e. the PRI Report. This report, which ANIMA publishes on a regular basis, sets out all of the activities carried out by the company regarding ESG issues. The report is reviewed by the UNPRI which issues a score measuring the extent of compliance with the Principles of Responsible Investment.

ESG POLICY

One of the keystones of responsible investment is reliance on a Responsible Investment Process - as set out in our ESG Policy - that identifies the underlying objectives and guidelines.

At the beginning of 2021, Anima SGR redefined its ESG Policy, in accordance with relevant European legislation and regulations, with special reference to the Sustainable Finance Disclosure Regulation (SFDR), which came into effect on 10 March 2021 and were updated at the end of December 2022.

In the application of its ESG Policy, as of December 2021 the Anima Group subscribes to the Global Compact, a commitment signed with the United Nations by the senior managers of participating companies to contribute to a new phase of globalisation characterised by sustainability, international cooperation and partnership, in a multi-stakeholder approach that pursues Ten Principles on human and labour rights, environmental protection and anti-corruption, and 17 Sustainable Development Goals (SDGs) approved in 2015 by the United Nations.

Anima SGR updated its ESG Policy at the end of May 2023 to align it with industry best practices, identifying the SDGs towards which it intends to contribute through its investments.

Specifically, following an analysis of the available data and an assessment of the interests of its stakeholders, and considering the sustainability strategy adopted by its parent company, Anima SGR has chosen to focus its commitment on the following SDGs:

- ▶ **SDG 3:** Good Health and Well-being
- ▶ **SDG 12:** Responsible consumption and production
- ▶ **SDG 13:** Climate action
- ▶ **SDG 16:** Peace, justice and strong institutions
- ▶ **SDG 17:** Partnership for the goals



In an effort to promote transparency regarding the sustainability commitments of financial market operators, Regulation (EU) 2019/2088 (SFDR) and the related Regulatory Technical Standards (RTS) set out a number of indicators concerning the Principal Adverse Impacts (PAIs) of investment activities based on sustainability factors, which must be calculated by the financial market operators themselves. The financial market operators must then carry out an internal process to select which PAIs to prioritise in their investment activities in order to focus efforts on their mitigation.

The definition of the PAIs considered a priority by Anima SGR was made on the basis of their association with SDGs 13 and 16, two of the goals towards which, as noted above, the Anima Group has committed to contribute.

The identified SDGs, the associated priority PAIs and the relative actions taken by Anima in the application of its ESG Policy are shown in the table below:

SDG SELECTED BY ANIMA SGR	PAI OR CORRESPONDING ESG CRITERION	ACTION TO CONTRIBUTE TO THE SDGS
SDG 3: Good Health and Well-being	Exclusion of tobacco and gambling	Pursuit of SDG 3 by excluding issuers operating in the tobacco and gambling sectors for Art. 8 or 9 SFDR products.
SDG 12: Responsible consumption and production	Alignment with generally recognised best practices	Pursuit of SDG 12 through: collective and individual engagement and voting at corporate meetings on topics regarding responsible production.
SDG 13: Climate Action (AH)	PAI 4, Exposure to Fossil Fuel Companies	Pursuit of SDG 13 through: mitigation of PAI 4 by excluding, in Art. 8 and 9 SFDR products, companies that derive more than a certain percentage of their revenues from steam coal; monitoring violations of the Global Compact; best-in-class selections; limiting exposure to low environmental ratings by monitoring E ratings (watch list); collective and individual engagement with corporate issuers, voting at corporate meetings; collective engagement with Regulators and Policy Makers.
SDG 16: Peace, justice and strong institutions	PAI 14 Controversial weapons	Pursuit of SDG 16 through: mitigation of PAI 14 by excluding issuers implicated in controversial weapons; monitoring violations of the Global Compact; collective and individual engagement with corporate issuers; voting at corporate meetings; collective engagement with Regulators and Policy Makers.
SDG 16: Peace, justice and strong institutions	PAI 16 Countries that violate social rights	Pursuit of SDG 16 through: mitigation of PAI 16 by excluding UN-sanctioned countries, monitoring countries sanctioned by the EU and other international institutions; selection of best-in-class; limiting exposure to low social ratings by monitoring S ratings (watch list); collective engagement with Regulators and Policy Makers.
SDG 16: Peace, justice and strong institutions	Exclusion of nuclear weapons	Pursuit of SDG 16 by excluding issuers operating in the nuclear weapons sector for Art. 8 products.
SDG 17: Partnership for the goals	Alignment with generally recognised best practices	Pursuit of SDG 17 through collective and individual engagement with corporate issuers, voting at corporate meetings; collective engagement with Regulators and Policy Makers.

In summary, the ESG Policy illustrates:

- ▶ the pursuit of “priority” SDGs;
- ▶ the monitoring of sustainability risks in the investment process;
- ▶ the use of sustainability indicators in the investment process;
- ▶ the assessment of the principal adverse impacts on sustainability arising from investment activity;
- ▶ the specific ESG strategies adopted;
- ▶ stewardship (active ownership) and engagement.

The policy is available on the website of Anima SGR⁶.

⁶ https://www.animasgr.it/d/IT/Downloads/Altri%20IR/ANIMA%20-%20Policy%20ESG_Eng.pdf

IDENTIFYING POTENTIAL PRINCIPAL ADVERSE IMPACTS (PAIS) ON SUSTAINABILITY FACTORS

Anima SGR considers the principal negative impacts of its investment decisions on sustainability factors.

The table below shows all mandatory regulatory PAIs that Anima SGR calculates and monitors:

Indicators applicable to investee companies

Metric	Explanation	Actions implemented, actions planned, and goals set for the next reporting period
CLIMATE AND OTHER ENVIRONMENTAL INDICATORS		
GREENHOUSE GAS EMISSIONS		
1. GHG EMISSIONS		
Scope 1 GHG emissions	Tonnes of CO2e - scope 1	Exclusion of steam coal >30%; Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
Scope 2 GHG emissions	Tonnes of CO2e - scope 2	Exclusion of steam coal >30%; Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
Scope 3 GHG emissions	Tonnes of CO2e - scope 3	Exclusion of steam coal >30%; Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
Total GHG emissions	Tonnes of CO2e - scope 1, 2, 3 The total figure is calculated by the provider and differs from the sum of scopes 1, 2 and 3 because it does not include scope 3, as the data are not widely available. The total figure also differs from the sum of scopes 1 and 2 because it may include estimates in cases where scope 1 and 2 data are not available.	Exclusion of steam coal >30%; Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.

Metric	Explanation	Actions implemented, actions planned, and goals set for the next reporting period
2. CARBON FOOTPRINT		
Carbon footprint	tCO ₂ e scope 1, 2, 3 by EUR millions invested in the portfolio. Please note that the PAI “Carbon footprint” is calculated considering scope 1 and 2 GHG emissions only, as the data for scope 3 are not yet widely available.	Exclusion of steam coal >30%; Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
3. GHG INTENSITY OF INVESTEE COMPANIES		
GHG intensity of investee companies	tCO ₂ e scope 1, 2, 3 by EUR millions of revenues. Please note that the PAI “GHG intensity of investee companies” is calculated considering scope 1 and 2 GHG emissions only, as the data for scope 3 are not yet widely available.	Exclusion of steam coal >30%; Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
4. EXPOSURE TO BUSINESSES OPERATING IN THE FOSSIL FUEL SECTOR		
Share of investments in businesses operating in the fossil fuel sector	Weight of portfolio exposed to the fossil fuel sector (%)	Exclusion of steam coal >30%; Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
5. SHARE OF NON-RENEWABLE ENERGY CONSUMPTION AND PRODUCTION		
Share of non-renewable energy consumption and non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources, expressed as a percentage of total energy sources	average portfolio % of non-renewable energy consumption and production	Exclusion of steam coal >30%; Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
6. ENERGY CONSUMPTION INTENSITY BY HIGH CLIMATE IMPACT SECTOR		
Energy consumption in GWh per EUR million of revenues received by investee companies, by high climate impact sector	GWh/EUR million of revenues	Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.

Metric	Explanation	Actions implemented, actions planned, and goals set for the next reporting period
BIODIVERSITY		
7. ACTIVITIES NEGATIVELY AFFECTING THE BIODIVERSITY OF SENSITIVE AREAS		
Share of investments in investee companies that have sites or conduct operations in or adjacent to biodiversity-sensitive areas where the activities of such companies adversely affect such areas	Portfolio weight with activities in biodiversity-sensitive areas and disputes with severe environmental impacts (%)	Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
WATER		
8. EMISSIONS TO WATER		
Tonnes of emissions to water generated by investee companies per EUR million invested (expressed as a weighted average)	t/EUR million of investment	Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
WASTE		
9. RATIO OF HAZARDOUS TO RADIOACTIVE WASTE		
Tonnes of hazardous and radioactive waste generated by investee companies per EUR million invested (expressed as a weighted average)	t/EUR million of investment	Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.

Note: as stated above, issuers with >30% revenues deriving from steam coal are excluded for Art. 8 and 9 products.

Social, personnel, human rights and anti-corruption indicators

Metric	Explanation	Actions implemented, actions planned, and goals set for the next reporting period
SOCIAL AND PERSONNEL INDICATORS		
10. VIOLATIONS OF UN GLOBAL COMPACT PRINCIPLES AND ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD) GUIDELINES FOR MULTINATIONAL ENTERPRISES		
Share of investments in investee companies that are implicated in violations to the UN Global Compact or the OECD Guidelines for Multinational Enterprises	% of portfolio with serious violations of the UNGC principles or the OECD Guidelines for Multinational Enterprises	Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List S; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
11. LACK OF PROCESSES AND COMPLIANCE MECHANISMS TO MONITOR COMPLIANCE WITH UN GLOBAL COMPACT PRINCIPLES AND OECD GUIDELINES FOR MULTINATIONAL ENTERPRISES		
Share of investments in investee companies that have not adopted policies to monitor compliance with the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises, or even mechanisms for handling claims/reports of violations of the principles of the UN Global Compact or the OECD Guidelines for Multinational Enterprises.	% of portfolio without mechanisms to monitor compliance with the UNGC principles or the OECD Guidelines for Multinational Enterprises	Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List S; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
12. UNADJUSTED GENDER PAY GAP		
Mean unadjusted gender pay gap of investee companies	Gender pay gap (%) - (pay of men / pay of women) / pay of men	Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List S; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
13. BOARD GENDER DIVERSITY		
Mean ratio of women/men among board members of investee companies, expressed as a percentage of total board members	mean % of women on the board (women/ men)	Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List S; Collective and Individual Engagement with corporate issuers, voting at corporate meetings, Collective engagement with Regulators and Policy Makers.
14. EXPOSURE TO CONTROVERSIAL WEAPONS (ANTIPERSONNEL MINES, CLUSTER MUNITIONS, CHEMICAL WEAPONS AND BIOLOGICAL WEAPONS)		
Share of investments in investee companies involved in the manufacture or sale of controversial weapons	% portfolio exposed to the controversial weapons business	Exclusion of controversial weapons; Monitoring Global Compact Violations; Collective and Individual Engagement with corporate issuers, voting at corporate meetings; Collective engagement with Regulators and Policy Makers.

Indicators applicable to investments in sovereign issuers and supranational organisations

Metric	Explanation	Actions implemented, actions planned, and goals set for the next reporting period
NEGATIVE SUSTAINABILITY IMPACT INDICATOR		
ENVIRONMENTAL		
15. GHG INTENSITY		
GHG intensity of investee countries	tCO2e/EUR million GDP	Exclusion of steam coal >30%; Monitoring Global Compact Violations; Best-in-Class selection; Monitoring Watch List E; Collective and Individual Engagement with corporate issuers, voting at corporate meetings.
SOCIAL		
16. INVESTEE COUNTRIES IMPLICATED IN SOCIAL RIGHTS VIOLATIONS		
Number of investee countries implicated in social rights violations (absolute number and relative number divided by all investee countries), according to international treaties and conventions, UN principles, and, where applicable, national legislation.	Issuers subject to EU sanctions (%) and number of government issuers with sanctions	Exclusion of UN-sanctioned countries; Monitoring of countries sanctioned by the EU and other International Institutions; Best-in-Class selection; Monitoring Watch List S; Collective and Individual Engagement with corporate issuers, voting at corporate meetings, Collective engagement with Regulators and Policy Makers.

As indicated above:

- ▶ in 2022, Anima SGR identified and defined its own priorities for the consideration of the principal negative impacts (PAI 4, 14 and 16) on sustainability, which informed the mitigation actions taken;
- ▶ the definition of priority PAIs was conducted on the basis of those considered mandatory by the RTS and associated with SDGs 13 and 16, which represent the goals towards which Anima intends to contribute, as indicated in its ESG Policy;
- ▶ the PAIs associated with these SDGs and considered as priorities in the actions taken by Anima in the application of its ESG Policy are shown in the table below:

PAI	ACTION
PAI 4 (Exposure to businesses operating in the fossil fuel sector)	Exclusion of steam coal >30% in Art. 8 and 9 products; Monitoring of Global Compact Violations; Best-in-Class selection; Limiting exposure to low environmental ratings (E watch list); Collective and Individual Engagement with corporate issuers, voting at corporate meetings.

PAI	ACTION
<p>PAI 14 (Exposure to controversial weapons, including antipersonnel mines, cluster munitions, chemical weapons and biological weapons)</p>	<p>Exclusion of issuers implicated in controversial weapons; Monitoring Global Compact Violations; Collective and Individual Engagement with corporate issuers, voting at corporate meetings; Collective engagement with Regulators and Policy Makers.</p>
<p>PAI 16 (Investee countries implicated in social rights violations)</p>	<p>Exclusion of UN-sanctioned countries; Monitoring of countries sanctioned by the EU and other international institutions; Best-in-Class selection;</p> <p>Limiting exposure to low social ratings by monitoring S ratings (watch list); Collective engagement with Regulators and Policy Makers.</p>

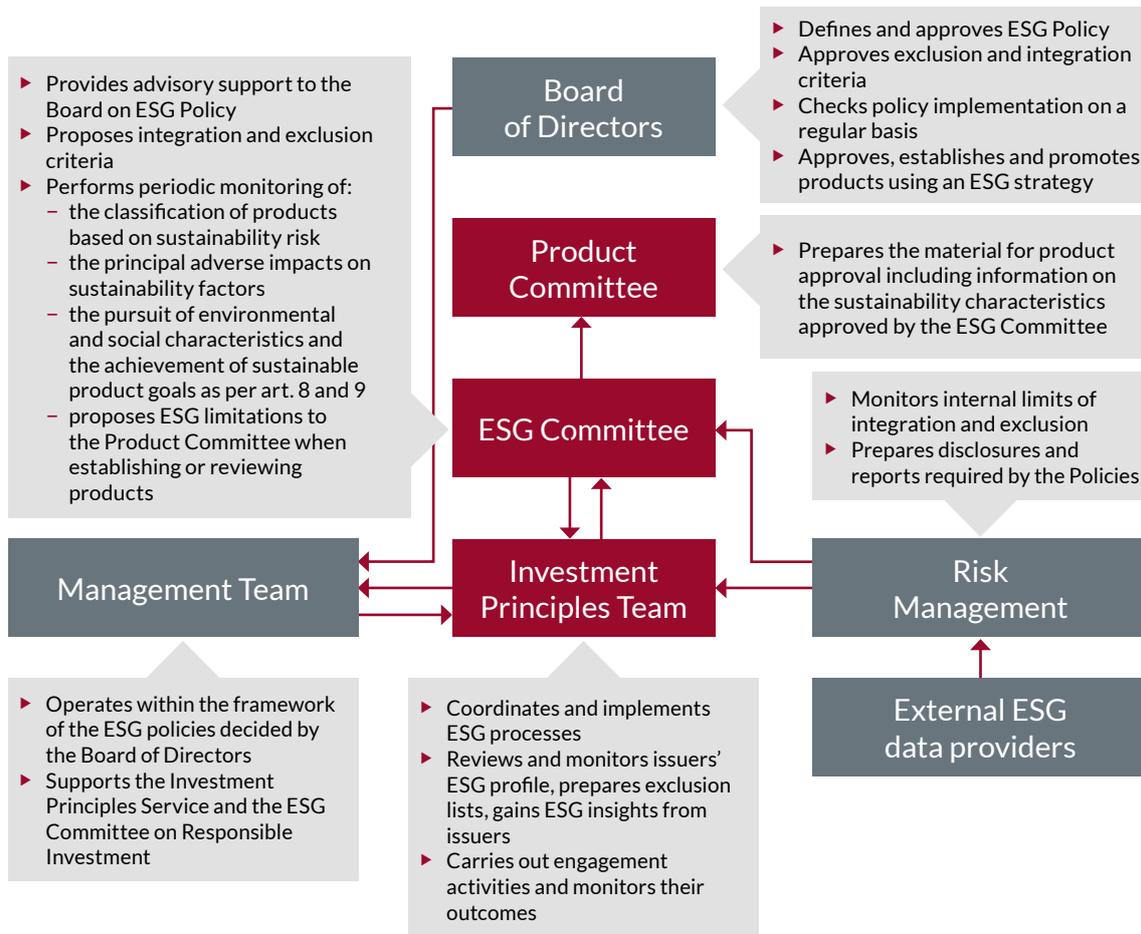
None of the products launched and/or managed by Anima SGR have invested in:

- ▶ corporate issuers directly engaged in the production or trade of controversial weapons prohibited by the international treaties promoted by the United Nations and ratified by the Italian Parliament, and whose use violates basic humanitarian principles (PAI 14);
- ▶ government issuers implicated in systematic human rights violations (PAI 16). Furthermore, none of the products described in the SFDR, Art. 8 and 9;
- ▶ corporate issuers that derive more than 30% of their revenues from steam coal production (PAI 4).

GOVERNANCE OF ESG INTEGRATION INTO THE INVESTMENT PROCESS

The integration of ESG factors into Anima SGR’s investment process includes the following steps:

ESG governance and actors



Anima SGR has established an ESG Committee. The tasks of this committee, consisting of in-house management profiles, include providing advisory support to the Board of Directors in establishing, reviewing and implementing the responsible investment policy. The Committee’s Investment Principles team coordinates ESG processes, assessing and monitoring the ESG profile of issuers, while the Management Team is responsible for integrating ESG commitments defined by policy and individual product prospectuses into investment decisions.

RESOURCES AND TOOLS

Anima SGR relies on a range of tools and info providers in the discharge of its own ESG activity. Below is an overview of the main info providers and services used.

PROVIDER INFO	FOCUS	UNIVERSE COVERED
 MSCI	ESG indices	<ul style="list-style-type: none"> ▶ ESG Leaders ▶ World Climate Change Select CTB ▶ World Climate Change PAB
 ECPI Sense in sustainability	ESG indices	<ul style="list-style-type: none"> ▶ 31 stock indices
 SUSTAINALYTICS	ESG data: Sovereign Issuers	<ul style="list-style-type: none"> ▶ 172 sovereign issuers
 REFINITIV	ESG data: Corporate Issuers	<ul style="list-style-type: none"> ▶ >12,000 corporate issuers
 REFINITIV LIPPER	ESG data: Mutual Funds	<ul style="list-style-type: none"> ▶ >360,000 mutual funds
 CDP DISCLOSURE INSIGHT ACTION	ESG data: climate and environmental ratings	<ul style="list-style-type: none"> ▶ > 18,700 companies
 MORNINGSTAR	ESG data: PAI data for third-party funds	<ul style="list-style-type: none"> ▶ >50,000 third-party funds
 SCIENCE BASED TARGETS	Analysis: identification of companies with defined emission reduction targets	<ul style="list-style-type: none"> ▶ 4,567 compliant companies
 Nummus.Info	Analysis: compliance with the CEI's sustainable investment policy	<ul style="list-style-type: none"> ▶ Portfolios subject to certification
 MOODY'S ESG Solutions	Analysis: identification of companies producing controversial weapons	<ul style="list-style-type: none"> ▶ Around 10,000 companies
 ISS ESG	Analysis: identification of issuers in violation of the UN Global Compact principles	<ul style="list-style-type: none"> ▶ About 25,000 corporate issuers
 urgewald	Analysis: identification of coal producing companies	<ul style="list-style-type: none"> ▶ >3,000 companies
 ISS ProxyExchange	Proxy voting advisory	<ul style="list-style-type: none"> ▶ All companies present in Anima's portfolios

Source: Information provider websites

PORTFOLIO ESG PROFILE

In accordance with EU Regulation 2088/2019 SFDR and the ESG Policy adopted, Anima SGR assesses and monitors the ESG profile of each managed portfolio according to the specifications defined in the strategies of each product.

Monitoring sustainability risks in the investment process

Specifically, Anima SGR monitors sustainability risks by processing and monitoring ESG ratings of its issuers based on the ESG scores provided by specialist information providers. As well as the score/ratings themselves, the monitoring process also considers the percentages of portfolios for which Environmental (E), Social (S) and Governance (G) scores/ratings are available, as well as the concentration of portfolios by rating class.

Sustainability risk monitoring also includes a qualitative assessment of other factors, such as whether issuers belong to certain business sectors that are considered more environmentally or socially risky.

This sustainability risk monitoring process informs a ranking of the entire Anima product range in ascending order of sustainability risk, taking the view that a higher level of risk is associated with a greater potential negative impact on product returns.

Finally, securities issued by the following are in any case excluded from Anima SGR's investment universe:

- ▶ corporate issuers directly engaged in the production or trade of controversial weapons prohibited by the international treaties promoted by the United Nations and ratified by the Italian Parliament, and whose use violates basic humanitarian principles;
- ▶ government issuers sanctioned by the UN for systematic human rights violations.

As at 31 December 2022, 94.8% of assets under management were represented by issuers for which an ESG rating was available, 92.5% of which were greater than or equal to C+ on a 12-level scale ranging from A+ (best rating) to D- (worst rating), as illustrated in the table below:

DATA AS AT YEAR-END 2022 AND 2021⁷:

		2022	2021
Total Assets under Management (AuM)	€ bn	177.1	204.0
AuM covered by ESG rating	€ bn	167.8	191.9
AuM with combined rating ⁸ >= C+	€ bn	163.8	191.9
AuM covered by ESG rating	%	94.8%	94.1%
AuM with combined rating >= C+	%	92.5%	94.1%

The use of sustainability indicators in the investment process

When selecting investments, portfolio managers take into account any exclusions that apply to all portfolios, those that apply to specific product categories or ESG strategies, the E, S, and G rating of the individual issuers, and the concentration by rating class of the portfolio.

By observing these ratings and consulting external research and internal tools on the analysed issuers, the managers consider:

⁷ Data on AuM covered by rating were calculated on a portfolio basis.

⁸ Overall rating that considers both ESG Rating and ESG Controversies Rating.

- ▶ ESG profiles and the ESG trends deemed to be most relevant;
- ▶ comparisons of ESG performance;
- ▶ significant ESG factors in asset weighting by country or region;
- ▶ ESG risk when assessing issuers' creditworthiness.

Specific ESG strategies

The AMC applies specific ESG criteria to products that promote, among other things, social and environmental characteristics or that have a sustainable objective, as defined under Articles 8 and 9 of the SFDR.

These strategies include:

- ▶ the application of additional product-specific exclusion policies;
- ▶ active monitoring of issuers' ESG profiles, leading to the selection, for example, of issuers whose environmental, social or governance scores are above a certain level;
- ▶ active monitoring of negative sustainability impact indicators regarding its portfolios with a view to their improvement.

ASSETS CLASSIFIED UNDER SFDR ART. 8 AND 9 AT YEAR-END 2022 AND 2021⁹

		2022	2021
Total AuM under Article 8	€ bn	36.4	5.0
Total AuM under Article 9	€ bn	3.9	7.5
Total AuM under Articles 8 and 9	€ bn	40.3	12.5
% AuM produced under Article 8	%	20.5%	2.5%
% AuM produced under Article 9	%	2.2%	3.7%

In 2022, the integration of ESG factors into its investment process was further enhanced and consolidated through the definition of new criteria and applying new strategies to products classified as Article 8 under the SFDR. Below is an overview of these criteria and strategies:

- ▶ Exclusion of issuers involved in nuclear weapon production;
- ▶ Exclusion of issuers whose activities in steam coal production accounts for more than 30% of their revenues;
- ▶ Monitoring of certain ESG characteristics or ratings and/or comparisons with certain parameters of a benchmark;
- ▶ Monitoring of specific issuers in relation to serious violations of the principles of the UN Global Compact;
- ▶ Monitoring of specific issuers in relation to international sanctions;
- ▶ Monitoring of specific issuers in relation to governance quality.

By applying these criteria and strategies, as of 11 April 2022 Anima SGR transformed a series of products previously classified as SFDR Art. 6 products into Art. 8 products, significantly increasing the proportion of products that promote environmental and social characteristics out of the total managed assets.

⁹ The figure includes all managed assets, including those managed under a mandate.

ANIMA SGR'S STEWARDSHIP ACTIVITY IN 2022

Background

The European framework for encouraging long-term shareholder engagement (aka Shareholder Rights Directive II), which has been transposed into Italian law, requires asset managers and institutional investors to adopt and disclose to the general public a commitment policy that describes how they:

- ▶ monitor investee companies whose shares are eligible for trading on a regulated market in Italy or another EU member state. Monitoring is performed on relevant issues, such as strategy, financial and non-financial performance as well as risks, capital structure, social and environmental impact, and corporate governance;
- ▶ interface with investee companies;
- ▶ exercise voting and other rights attached to shares;
- ▶ collaborate with other shareholders;
- ▶ communicate with relevant stakeholders of investee companies;
- ▶ manage existing and potential conflicts of interest in relation to their assignment.

With a view to carrying out its engagement endeavours to the best of its capabilities and in accordance with the aforementioned regulations, Anima SGR has defined its own Engagement Policy, which is published on the corporate website and is updated at least annually.

The policy applies to all products managed by Anima SGR, including the Arts & Crafts Open-end Pension Fund. With regard to agreements with individual and collective management institutional customers (assets managed under a mandate), the policy is applied according to such agreements, consistent with current regulations and the “comply or explain” principle.

The engagement strategies adopted by Anima SGR and based on Assogestioni and EFAMA principles (Stewardship Code - Principles for asset managers' monitoring of, voting in, engagement with investee companies) essentially involve three action items:

1. monitoring the economic and financial performance, and related risks, of companies;
2. engaging with issuers on specific topics;
3. exercising voting rights at company meetings.

Below is an overview of the engagement activities carried out by Anima SGR in 2022:

Monitoring

In 2022 Anima SGR held several meetings (including those called by the Managers' Committee) with the management personnel (i.e., with the independent directors) of Italian companies whose securities are included in the portfolios of the managed funds, as part of its usual activities to monitor the economic and financial performance, and the related risks, of those companies.

Engagement

The main form of engagement relied upon was the submission of lists of candidates for the election of minority members to the boards of directors and supervisory boards of investee companies, together with other professional investors, through the Managers' Committee promoted by Assogestioni.

Engagement: submission of minority lists in cooperation with the Managers' Committee

In cooperation with other professional investors through the Managers' Committee promoted by Assogestioni, Anima SGR participated in the submission and voting of lists of candidates for the election of minority members to the boards of directors and supervisory boards of 29 investee companies. Most of these initiatives have also been published and shared on UNPRI's website. With regard to the submissions in which Anima SGR took part, the companies, corporate boards involved and the outcome of such submissions are shown below:

Issuer	LISTS FOR		OUTCOME*	
	BoD	SC	BoD	SC
1 Acea SpA	no	yes	n/a	One Candidates Elected
2 Assicurazioni Generali SpA	yes	no	No Candidates Elected	n/a
3 Atlantia SpA	yes	no	Candidates Elected	n/a
4 Azimut Holding SpA	no	yes	n/a	Candidates Elected
5 BasicNet SpA	yes	yes	No Candidates Elected	No Candidates Elected
6 BFF Bank SpA	no	yes	n/a	Candidates Elected
7 Credito Emiliano SpA	no	yes	n/a	Candidates Elected
8 De' Longhi SpA	yes	yes	One Candidates Elected	Candidates Elected
9 DiaSorin SpA	no	yes	n/a	Candidates Elected
10 ENAV SpA	no	yes	n/a	Two Candidates Elected
11 ENEL SpA	no	yes	n/a	Candidates Elected
12 ERG SpA	no	yes	n/a	Candidates Elected
13 GPI SpA	no	yes	n/a	Candidates Elected
14 Intesa Sanpaolo SpA	yes	no	Candidates Elected	n/a
15 INWIT SpA	yes	no	Candidates Elected	n/a
16 Iren SpA	yes	no	Candidates Elected	n/a
17 Moncler SpA	yes	no	One Candidates Elected	n/a
18 NEXI SpA	yes	yes	Two Candidates Elected	Candidates Elected
19 Openjobmetis SpA	yes	no	Candidates Elected	n/a
20 Prysmian SpA	no	yes	n/a	Two Candidates Elected
21 Salcef Group SpA	yes	yes	One Candidates Elected	Candidates Elected
22 SNAM SpA	yes	yes	Candidates Elected	Candidates Elected
23 SOL SpA	yes	no	Candidates Elected	n/a
24 Technogym SpA	no	yes	n/a	Candidates Elected
25 Tod's SpA	no	yes	n/a	Candidates Elected
26 UniCredit SpA	no	yes	n/a	Candidates Elected
27 Unieuro SpA	yes	yes	Candidates Elected	Candidates Elected
28 Unipol Gruppo SpA	yes	yes	One Candidates Elected	Candidates Elected
29 Zignago Vetro SpA	yes	yes	One Candidates Elected	Candidates Elected

* Source of candidates elected: Report of the Managers' Committee, 2022 Meeting Cycle

Engagement: dialogue with issuers

Dialogue with issuers is a fundamental element of responsible investment. The AMC believes that by interfacing with issuers' management teams, it is possible to improve their ESG profile and safeguard long-term economic and financial performance through the appropriate management of risks. Through its engagement actions, the AMC aims to monitor and raise awareness on ESG, focusing in particular on Environmental (E) and Social (S) factors that link in to the specific Sustainable Development Goals (SDGs) that Anima SGR aims to pursue. This alternative engagement method consists of seeking, together with other institutional investors, meetings with issuers' management, which meetings were held in accordance with well-established monitoring and engagement best practice rules.

As part of the activities carried out with the support of the Managers' Committee, which represents Assogestioni's member Asset Managers, in 2021 engagement meetings were held with management representatives of the Italian companies *Atlantia* and *Società Cattolica di Assicurazione*. These meetings were generally held in compliance with the principles of engagement, alternating one-way meetings (i.e., where the arguments and considerations adopted by the Managers' Committee were notified without further intervention by the management representatives attending the meeting) and two-way meetings (i.e., with interventions by the management representatives attending the meeting). For all meetings, the Managers' Committee requested in advance that no sensitive, confidential, and/or price sensitive information be disclosed, unless the contents thereof had already been made public. The subject of engagement meetings was generally or alternatively focused on business plans, development prospects, challenges and critical issues affecting the relevant operating sectors, remuneration policies, the management of corporate governance and, more generally, on ESG (Environmental, Social and Corporate Governance) strategies, relations with minority shareholders, and the effectiveness and efficiency of communication to the public and markets.

In 2022 Anima also pursued further engagements on specific ESG matters with the following companies: *Carrefour Sa*, *CK Hutchison Holdings Ltd*, *CrowdStrike Holdings Inc*, *Daikin Industries Ltd*, *Komatsu Ltd*, *Leonardo SpA*, *RWE AG*, and *Starbucks Corp*.

Engagement with RWE AG

In September 2021, the Italian public television service ¹⁰ alleged that RWE AG was engaging in socially aggressive conduct towards communities neighbouring its coal mines located in the Hambach Forest in Germany, the purpose being to facilitate the exploitation of these mines. Because the company's shares were present in some of the managed portfolios, Anima ordered a temporary freeze on purchases on securities issued by RWE AG for Art. 8 SFDR products, while also requesting engagement with the company to hear its version of the dispute.

In December, the text of the letter was shared with other AMCs who joined the initiative. After the year ended, the letter was sent to RWE in January 2022. The company was very open to discussing the matter and quickly prepared a detailed response, illustrating its attention to the social issues of the Hambach controversy as well as to the social aspects of its business in general.

Anima deemed it appropriate to further investigate the information received and consequently scheduled a meeting with the company in April 2022. RWE AG gave a detailed account of the events and highlighted its awareness of the issue, stating that it has always sought agreements "*in bonis*" with the affected communities and has taken specific actions aimed at relocating the inhabitants of the affected villages with particular attention to relational and social aspects, such as the reconstruction of places of worship, social meeting places and sites of historical interest in the new sites.

In conclusion, in view of the willingness shown and the clarifications provided by the company related to the controversy, this social engagement was deemed to be brought to a satisfactory conclusion and consequently Anima removed the investment freeze on RWE AG.

¹⁰ Rai, "Presa Diretta" 29 September 2021.

Engagement with Carrefour

In February 2022 Anima joined an engagement led by a number of other asset management companies with Carrefour SA, a French supermarket and hypermarket chain whose securities were present in some of Anima's managed portfolios. The aim of the engagement was to bring the company's attention to a number of human rights abuses in China, specifically in the Xinjiang Uygur Autonomous Region¹¹, and to encourage the company to adopt immediate measures to guarantee that its supply chain is not involved in forced labour in and around the Xinjiang Uygur region. In particular, the engagement requested that Carrefour conduct a mapping analysis of its supply chain to identify any direct and indirect commercial relations associated with the Xinjiang Uygur Autonomous Region and, based on this analysis, undertake actions to cease any commercial relations with the suppliers involved and publish a transparent disclosure on the effects and progress made on the corrective actions adopted.

Carrefour responded to the request for engagement and agreed to attend a meeting to illustrate and discuss its sustainability strategy, which Anima will continue to monitor in the coming years.

Engagement with Atlantia

In February 2022, Anima was invited to and attended the presentation held by the Chief Risk Officer of Atlantia, an Italian infrastructure company, regarding its Group Climate Action Plan, in which Atlantia defines its commitment to combatting climate change by identifying short, medium and long-term GHG emission reduction targets, and identifies key actions to be implemented. Furthermore, Atlantia has itself the goal of becoming carbon neutral across the footprint of its direct operations by 2040. The company decided to organise the meeting to discuss the plan with investors and receive feedback. The plan was welcomed at the meeting and later approved during the Shareholders' Meeting of 21 April 2022, with Anima voting in favour.

Engagement with CK Hutchison

In February 2022, Anima's ESG Committee decided to submit a request for engagement with CK Hutchison Holdings, a Hong Kong-based company whose securities were present in some of the portfolios under management. The request for engagement was prompted by the low ESG Score attributed to the company by the information provider used by Anima, despite the presence of a sustainability policy and, therefore, a formal commitment to ESG. The company engaged collaboratively, sharing updated documentation on sustainability and emphasising its commitment to ESG. Anima acknowledged the response provided and continued to monitor the company's ESG rating, which significantly improved over the course of the year.

Engagement with CrowdStrike

In March 2022, Anima's ESG Committee decided to submit a request for engagement with CrowdStrike Holdings Inc., a US company operating in the IT security sector, in response to the low ESG score attributed due to failure to adopt documents, policies and fundamental data to assess its commitment in sustainability. The company responded by providing a clear and transparent explanation of why certain data were not published, and shared the required documentation. In order to verify the company's statements Anima continued to monitor the company's ESG rating, which improved over the course of the year.

¹¹ On 31 August 2022 the Office of the United Nations High Commissioner for Human Rights published the report on the serious violations of human rights committed by China in the Xinjiang Uygur Autonomous Region. (Office of the United Nations High Commissioner for Human Rights, August 2022, OHCHR Assessment of human rights concerns in the Xinjiang Uyghur Autonomous Region, People's Republic of China).

Engagement with Starbucks

In March 2022, Anima - along with a group of over 70 investors - participated in an engagement initiative with the US company Starbucks, whose securities were present in some of the managed portfolios. Following certain anti-trade union actions taken by the company, the group of investors signed a letter to Starbucks via the PRI collaborative platform to demand respect for the right of employees to form trade union associations and negotiate collective agreements.

Engagement with Leonardo

In July 2022, Anima - in collaboration with a number of other institutional investors - was involved in an engagement activity with Leonardo S.p.A., an Italian company operating in the defence, aerospace and security sectors. Anima decided to support this initiative to clarify the company's involvement in the manufacture of nuclear weapons and to discuss possible actions to mitigate the relative reputational risk.

This clarification was deemed necessary following Anima's decision to update its own ESG strategy in April 2022 to exclude issuers involved in the production of nuclear weapons from funds classifiable as Art. 8 and 9 under the SFDR.

The company stated that it was not involved in the manufacture of nuclear weapons and that its activities are fully compliant with Italian law. Anima acknowledged the response provided by the company and proceeded with the divestment in line with its Policy and ESG Strategy.

Engagement with Amazon

In October 2022, Anima took part in an engagement promoted by UNPRI, signing a letter to Amazon.com Inc. via the PRI collaborative platform. The letter encouraged the company to commission an independent review of Amazon's commitment, policies and practices regarding freedom of association and collective bargaining to identify, address and prevent any misalignment of company practices with the ILO Declaration on Fundamental Principles and Rights at Work and with the United Nations Guiding Principles on Business and Human Rights.

Engagement with Daikin

In December 2022, Anima's ESG Committee decided to submit a request for engagement with Daikin Industries Ltd, a Japanese company specialising in the production of air conditioning and purification systems whose securities were present in some of the portfolios under management. The request for engagement was prompted by the inclusion of the company by Moody's ESG Solutions on the list of companies involved in the production of white phosphorus munitions, which are excluded according to Anima's ESG policy.

Anima requested a clarification from Daikin Industries Ltd regarding its involvement in the production of such munitions and the future prospects of this business line, specifying that confirmation of the involvement would lead to the exclusion of Daikin Industries Ltd from its portfolios. The company responded to Anima's request and confirmed its involvement in the production of white phosphorus munitions.

Anima acknowledged the response provided by the company and, based on its own assessments and data from external providers, decided to divest the securities of Daikin Industries Ltd in its portfolios in line with the technical time requirements dictated by market conditions, in line with Anima's ESG Policy and in the interests of its members.

Engagement with Komatsu

In December 2022, Anima's ESG Committee decided to submit a request for engagement with Komatsu Ltd, a Japanese company specialising in the production of construction, mining and forestry equipment whose securities were present in some of the portfolios under management. The request for engagement was prompted by the inclusion of the company by Moody's ESG Solutions on the list of companies involved in the production of white phosphorus munitions, which are excluded according to Anima's ESG policy.

Anima requested a clarification from Komatsu Ltd regarding its involvement in the production of such munitions and the future prospects of this business line, specifying that confirmation of the involvement would lead to the exclusion of Komatsu Ltd from its portfolios. The company responded to Anima's request and confirmed its involvement in the production of white phosphorus munitions.

Anima acknowledged the response provided by the company and, based on its own assessments and data from external providers, decided to divest the securities of Daikin Industries Ltd in its portfolios in line with the technical time requirements dictated by market conditions, in line with Anima's ESG Policy and in the interests of its members.

Engagement: supporting minority shareholders' motions on ESG issues

In 2022, Anima voted against the management recommendations of the relevant companies in 10% of votes at shareholders' meetings, supporting 202 proposals submitted by minority shareholders on ESG issues; specifically, 66% of these regarded governance issues, while the remaining 34% regarded environmental and social matters.

The table below shows the main motions proposed by minority shareholders on environmental or social topics that were supported by Anima despite management recommendations to the contrary.

Issuer	Minority shareholders' motion	Theme	Topic
1. AbbVie Inc.	Report on the Board of Director's oversight of risks associated with anti-competitive practices	Health and safety	S
2. AbbVie Inc.	Report on the consistency of political campaign spending with corporate values and priorities	Community	S
3. Apple Inc.	Report on forced labour	Human rights	S
4. Apple Inc.	Report on the Gender/Racial Pay Gap	Diversity and inclusion	S
5. Apple Inc.	Report on the civil rights audit	Diversity and inclusion	S
6. Apple Inc.	Report on confidentiality clauses related to employment agreements	Diversity and inclusion	S
7. Archer-Daniels-Midland Company	Report on the use of pesticides in the supply chain	Responsible support chain	E, S
8. Berkshire Hathaway Inc.	Report on climate risks and opportunities	Climate	E
9. Berkshire Hathaway Inc.	Report on GHG emissions reduction targets	Climate	E
10. Berkshire Hathaway Inc.	Report on the efficacy of efforts and metrics to promote diversity, equality and inclusion	Diversity and inclusion	S
11. BHP Group Limited	Approval of the Climate Reporting and Audit	Climate	E
12. Booking Holdings Inc.	Report on climate change KPIs in the executive remuneration policy	Remuneration	E, S

Issuer	Minority shareholders' motion	Theme	Topic
13. Caterpillar Inc.	Report on payments and lobbying policies	Community	S
14. Citigroup Inc.	Report on respect for the rights of indigenous populations	Human rights	S
15. ConocoPhillips	Report on GHG emissions reduction targets	Climate	E
16. ConocoPhillips	Report on payments and lobbying policies	Community	S
17. Eli Lilly and Company	Report on payments and lobbying policies	Community	S
18. Eli Lilly and Company	Publication of an independent report on the consistency of the company's lobbying activities with its public statements	Community	S
19. Eli Lilly and Company	Report on the Board of Director's oversight of risks associated with anti-competitive pricing strategies	Health and safety	S
20. General Motors Company	Report on the exploitation of child labour in relation to electric vehicles	Human rights	S
21. Intel Corporation	Report on independent audit of civil rights	Diversity and inclusion	S
22. International Business Machines Corporation	Report on confidentiality clauses related to employment agreements	Diversity and inclusion	S
23. Johnson & Johnson	Monitoring and reporting of an audit on racial and ethnic equity	Diversity and inclusion	S
24. Johnson & Johnson	Report on government financial support and access to Covid-19 vaccines and drugs	Health and safety	S
25. Johnson & Johnson	Publication of an independent report on the consistency of the company's lobbying activities with its public statements	Community	S
26. Mastercard Incorporated	Report on political contributions	Community	S
27. Mastercard Incorporated	Report on the risks associated with the sale and purchase of ghost guns	Business ethics	S
28. Microsoft Corporation	Report on the hiring of people with criminal records	Diversity and inclusion	S
29. Microsoft Corporation	Assessment and reporting of systemic climate risk management by the company's pension funds	Climate	E
30. Microsoft Corporation	Report on the use of Microsoft technology by government	Data security & privacy	S
31. Microsoft Corporation	Report on the development of products for military use	Business ethics	S
32. Microsoft Corporation	Report on fiscal transparency	Business ethics	S
33. Monster Beverage Corporation	Report on GHG emissions reduction targets in line with the Paris Agreement	Climate	E
34. NIKE, Inc.	Adoption of a China-specific procurement policy	Human rights	S
35. Pfizer Inc.	Report on the feasibility of technology transfer to increase the production of the Covid-19 vaccine	Health and safety	S
36. Pfizer Inc.	Report on the Board of Director's oversight of risks associated with anti-competitive practices	Health and safety	S

Issuer	Minority shareholders' motion	Theme	Topic
37. Republic Services, Inc.	Report on the independent audit on environmental justice	Diversity and inclusion	S
38. Republic Services, Inc.	Report on the independent audit of civil rights	Diversity and inclusion	S
39. Royal Bank of Canada	Assessment and mitigation of human rights and reputational risk associated with the financialisation of residential housing construction	Human rights	S
40. Royal Bank of Canada	Adoption of an annual advisory vote policy on the Environment and Climate Change Action Plan and the Bank's objectives	Climate	E
41. Royal Bank of Canada	Production of a report on loans granted by the bank to support the circular economy	Sustainable finance	E, S
42. Salesforce, Inc.	Supervision and reporting of a Racial Equality audit	Diversity and inclusion	S
43. Starbucks Corporation	Report on the prevention of harassment and discrimination at work	Diversity and inclusion	S
44. Sysco Corporation	Report on the independent review of civil rights	Diversity and inclusion	S
45. Sysco Corporation	Report on the supply chain risk assessment conducted by an independent commission	Responsible support chain	S
46. Tesla, Inc.	Report on efforts to prevent harassment and discrimination at work	Diversity and inclusion	S
47. Tesla, Inc.	Report on ethnic and gender diversity on administrative boards	Diversity and inclusion	S
48. Tesla, Inc.	Report on the impacts of using mandatory arbitration	Management of human capital	S
49. Tesla, Inc.	Report on climate lobbying activities by businesses in line with the Paris Agreement	Climate	E
50. Tesla, Inc.	Adoption of a policy on the respect of the rights to freedom of association and collective bargaining	Human rights	S
51. Tesla, Inc.	Report on the elimination of child labour in the battery supply chain	Human rights	S
52. Tesla, Inc.	Report on exposure to water risk	Environment	E
53. The Coca-Cola Company	Report on the external costs of public health	Health and safety	E, S
54. The Coca-Cola Company	Report on public policy and global political influence	Community	S
55. The PNC Financial Services Group, Inc.	Report on risk management and the nuclear weapons industry	Business ethics	S
56. The Walt Disney Company	Report on payments and lobbying policies	Community	S
57. The Walt Disney Company	Report on human rights due diligence	Human rights	S
58. The Walt Disney Company	Report on the Gender/Racial Pay Gap	Diversity and inclusion	S

Issuer	Minority shareholders' motion	Theme	Topic
59. Uber Technologies, Inc.	Report on payments and lobbying policies	Community	S
60. United Parcel Service, Inc.	Report on payments and lobbying policies	Community	S
61. United Parcel Service, Inc.	Report on climate lobbying activities by businesses in line with the Paris Agreement	Climate	E
62. United Parcel Service, Inc.	Adoption of independently reviewed science-based GHG emissions reduction targets	Climate	E
63. United Parcel Service, Inc.	Report on the efficacy of efforts and metrics to promote diversity, equality and inclusion	Diversity and inclusion	S
64. Wells Fargo & Company	Report on the diversity of the Board of Directors	Diversity and inclusion	S, G
65. Wells Fargo & Company	Report on respect for the rights of indigenous populations	Human rights	S
66. Wells Fargo & Company	Supervision and reporting of a Racial Equality audit	Diversity and inclusion	S
67. Wells Fargo & Company	Report on incentives-linked remuneration and on the risks of significant losses	Remuneration	S

Voting intentions on motions submitted by minority shareholders were disclosed in advance through the PRI collaboration platform for the meetings of:

- ▶ AbbVie Inc.
- ▶ Berkshire Hathaway Inc.
- ▶ Caterpillar Inc.
- ▶ Citigroup Inc.
- ▶ CRH plc
- ▶ Glencore International plc
- ▶ Republic Services Inc.
- ▶ Salesforce.com Inc.
- ▶ Uber Technologies Inc.
- ▶ United Parcel Service Inc.
- ▶ Well Fargo & Co

Engagement: collective initiatives for the promotion of ESG principles

In 2022, Anima renewed its commitment to the Principles for Responsible Investment (PRI) and the Carbon Disclosure Project (CDP), a non-profit organisation that promotes a system of data collection and reporting with respect to the most significant environmental impact factors. As part of these initiatives, Anima supported the CDP Science Based Target (SBT) Campaign for 2022, signed the Business Letter in Support of Ambitious EU Sustainability Reporting Standards (ESRS) promoted by CDP and signed, on the PRI platform, the letter of support to EU legislators for the issuance of the Corporate Sustainability Reporting Directive.

Finally, in early 2023 and in line with its commitment to promote ESG principles, Anima joined the Sustainable Finance Forum, a not-for-profit, multi-stakeholder association established in 2001 with the goal of promoting the inclusion of environmental, social and governance (ESG) criteria into financial products and processes, as well as the Institutional Investors Group on Climate Change (IIGCC), the European membership body for investor collaboration on climate change.

Engagement: exercising the right to vote

Anima SGR is committed to exercising its voting rights pertaining to equity securities held in UCITS under management in a reasonable and responsible fashion, believing that the active use of such rights in the sole interest of its customers can, in the long run, enhance the value of their investments while contributing to a smoother functioning of financial markets and corporate governance of issuing companies.

Anima SGR exercised these rights through the proxy voting web platform ISS Institutional Shareholder Services Inc, or by giving specific parties appropriate proxies based on explicit binding instructions.

The votes were cast according to Anima SGR's voting policy, which sets out general criteria that the AMC complies with when analysing the different items on meeting agendas. The assessment of corporate governance practices takes into account factors specific to the business being analysed, with special reference to size and operating environment, with account being taken of the protection of shareholders' rights, the procedure whereby Board of Directors and the Board of Statutory Auditors are elected and their members are appointed, the selection method and duties of the auditing firm, the efficiency and objectivity of internal control systems, the analysis of the financial situation, the approval of the accounts, remuneration policies, incentive systems, any amendments to the articles of association, and the adoption of specific corporate social responsibility schemes.

Since 2020, moreover, the criteria set out in the policy have been expanded to also take into account specific ESG (Environmental, Social, Governance) factors. It has therefore been agreed that when providing its voting recommendations the ISS proxy advisor should refer to guidelines consistent with sustainable business practices (on the environment, fair employment, non-discriminatory policies, and protection of human rights), such guidelines making reliance on initiatives such as those of 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 Organization Conventions (ILO), CERES Principles, Global Sullivan Principles, MacBride Principles, and the European Union Social and Environmental Directives.

With regard to Italian businesses where the election or renewal of corporate offices (BoD, SC, shareholder representatives) was planned, the vote in support of the lists of minority representatives was generally cast consistent with the engagement initiatives for the submissions of minority lists undertaken in conjunction with the Managers' Committee (composed of representatives of Assogestioni member Asset Management Companies and other institutional investors).

On the other hand, voting rights were not exercised with respect to shares of companies directly or indirectly controlling Anima SGR SpA held in the portfolios of UCIs under management, nor in situations where potential conflicts of interest existed.

As at 31 December 2022, companies whose shares were held in the portfolios under management, falling within the stewardship scope, included: *Arnoldo Mondadori Editore SpA, Banco BPM SpA, Banco di Desio e della Brianza SpA, Danieli & C Officine Meccaniche SpA (RSP), Equita Group SpA, Iren SpA, Italmobiliare SpA, Mediobanca SpA, Openjobmetis SpA, Piaggio & C SpA, SeSa SpA, Technogym SpA, Unipol Gruppo SpA*. The issuers *Banco BPM* and *Banco di Desio e della Brianza* were excluded from stewarding activities due to conflicts of interest.

During 2022, voting rights were exercised at the shareholders' meetings of the following Italian and foreign listed companies:

AbbVie Inc., Acea SpA, Activision Blizzard, Inc., Adobe Inc., Agnico Eagle Mines Limited, AIA Group Limited, Air Liquide SA, Air Products and Chemicals, Inc., Airbus SE, Albemarle Corporation, Allianz SE, Analog Devices, Inc., Anglo American Plc, Apple Inc., Applied Materials, Inc., Aptiv Plc, Arcelor-Mittal SA, Archer-Daniels-Midland Company, Arnoldo Mondadori Editore SpA, ASML Holding NV, Assicurazioni Generali SpA, AstraZeneca Plc, Atlantia SpA, Avantor, Inc., Aviva Plc, AXA SA, Azimut Holding SpA, Banca Popolare di Sondrio SpA, Banco Bilbao Vizcaya Argentaria SA, Banco Santander

SA, Bank of America Corporation, Barclays Plc, BasicNet SpA, Bayer AG, Berkshire Hathaway Inc., BFF Bank SpA, BHP Group Limited, Booking Holdings Inc., Broadcom Inc., Buzzi Unicem SpA, Canadian Natural Resources Limited, Caterpillar Inc., Cellnex Telecom SA, Centene Corporation, Citigroup Inc., Colgate-Palmolive Company, ConocoPhillips, Credito Emiliano SpA, CRH Plc, D.R. Horton, Inc., Danaher Corporation, Danieli & C. Officine Meccaniche SpA, Deere & Company, De'Longhi SpA, Deutsche Post AG, Deutsche Telekom AG, DiaSorin SpA, Eaton Corporation plc, EDP-Energias de Portugal SA, Eli Lilly and Company, Emerson Electric Co., ENAV SpA, Enel SpA, ENGIE SA, Eni SpA, Equita Group SpA, ERG SpA, Ferrovial SA, General Electric Company, General Motors Company, Glencore Plc, GPI SpA, Halozyme Therapeutics, Inc., Heineken NV, Horizon Therapeutics Public Limited Company, Iberdrola SA, Infineon Technologies AG, Infrastrutture Wireless Italiane SpA, ING Groep NV, Intel Corporation, Intercontinental Exchange, Inc., International Business Machines Corporation, Intesa Sanpaolo SpA, Intuitive Surgical, Inc., IQVIA Holdings Inc., Iren SpA, Italmobiliare SpA, Johnson & Johnson, Kering SA, Koninklijke DSM NV, London Stock Exchange Group Plc, L'Oreal SA, LVMH Moët Hennessy Louis Vuitton SE, Mastercard Incorporated, Mediobanca Banca di Credito Finanziario SpA, Mercedes-Benz Group AG, Microsoft Corporation, Moncler SpA, Monster Beverage Corporation, Muenchener Rueckversicherungs-Gesellschaft AG, National Australia Bank Limited, Newmont Corporation, Nexi SpA, NIKE, Inc., Novo Nordisk A/S, Openjobmetis SpA, Pfizer Inc., Piaggio & C SpA, Prologis, Inc., Prysmian SpA, QUALCOMM Incorporated, Renesas Electronics Corp., Republic Services, Inc., Royal Bank of Canada, RWE AG, Salcef Group SpA, Salesforce, Inc., Sanofi, SAP SE, Schneider Electric SE, SeSa SpA, Siemens AG, Siemens Energy AG, SNAM SpA, Societe Generale SA, SOL SpA, Starbucks Corporation, Stellantis NV, STMicroelectronics NV, Sysco Corporation, Tate & Lyle Plc, Technogym SpA, Tesla, Inc., The Coca-Cola Company, The PNC Financial Services Group, Inc., The Walt Disney Company, Tod's SpA, Toshiba Corp., Truist Financial Corporation, Uber Technologies, Inc., UniCredit SpA, Unieuro SpA, Union Pacific Corporation, Unipol Gruppo SpA, United Parcel Service, Inc., VINCI SA, Visa Inc., Vonovia SE, Wells Fargo & Company, Weyerhaeuser Company, Xylem Inc., Zignago Vetro SpA, Zimmer Biomet Holdings, Inc.

Votes were at all times cast on an informed basis, relying on (i) the information disclosed by the investee companies or published by commonly used media (e.g. websites of the issuing companies, daily newspapers and magazines, financial information providers), and (ii) any analyses conducted by leading research companies specialising in proxy voting. Votes cast during meetings proved generally in line with the provisions set out in Anima SGR's voting policy and the ISS recommendation guidelines, consistent with sustainable business practices (on the environment, fair employment, non-discriminatory policies, and protection of human rights), such guidelines making reliance on initiatives such as those of 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 Organization Conventions (ILO), CERES Principles, Global Sullivan Principles, MacBride Principles, and the European Union Social and Environmental Directives.

Voting rights were exercised at the shareholders' meetings of the following companies, whose shares were held in the portfolios under management and fell, from time to time, within the stewardship scope (as defined according to Anima SGR's internal procedures): *Arnoldo Mondadori Editore SpA, BasicNet SpA, Buzzi Unicem SpA, Danieli & C. Officine Meccaniche SpA, Equita Group SpA, Iren SpA, Italmobiliare SpA, Mediobanca SpA, Openjobmetis SpA, Piaggio & C SpA, SeSa SpA, Technogym SpA, Unipol Gruppo SpA.*

Overall, Anima SGR voted in 156 shareholders' meetings of Italian and foreign companies, in a manner consistent with the above principles, in about 10% of the cases expressing a different view as compared to the recommendations given by the companies' management.

As part of the votes taken, Anima SGR supported, among other things, several motions submitted by minority shareholders aimed at obtaining greater transparency or commitment from issuers on environmental or social matters.

PRODUCT INNOVATIONS

In 2022, Anima SHR established and launched its first fund to fall within the scope of application of SFDR Art. 9: Anima Net Zero Azionario Internazionale is an Italian-registered benchmark equity fund benchmarked to the MSCI World Climate Paris Aligned index. The fund is characterised by investments in companies that set targets for reducing climate gas emissions according to the Science Based Targets initiative (SBTi) approach. SBTi is an international body established through a collaboration between the United Nations Global Compact, WWF, the World Resources Institute and the Carbon Disclosure Project, with the aim of helping companies to set goals to reduce their emissions in line with the latest climate science data. The project was developed by a work group that involved several offices of the Anima Group and was supported by Prof. Mario Noera, an external consultant and Fellow Professor of Finance at Bocconi University.

Furthermore, in recent years the Anima Group has launched various products characterised by specific criteria or objectives with a view to enhancing its range of products to meet the needs of customers and the market in a continually evolving context. These new products include:

- ▶ the Sistema ESaloGo and Sistema Comunitam funds, both characterised by a focus on environmental, social and governance factors and qualifying as SFDR Article 8 products (i.e., financial products that promote environmental and social characteristics). Their investment process involves the structured integration of ESG assessments with traditional financial analysis criteria, excluding direct investments in financial instruments of issuers operating in sectors related to the production of cigarettes and other tobacco-containing products, the production of equipment, plants, parts and products for civil and military aeronautics and defence, the production of nuclear weapons, and the operation of casinos and gambling facilities. Companies that derive more than 30% of total revenue from the use, production or sale of steam coal are also strictly excluded. There are also investment limits for financial instruments without an ESG combined score or whose score is below a certain threshold. Furthermore, the Sistema Comunitam fund also excludes issuers that engage in activities contrary to Catholic principles, in line with the provisions contained in the document “The Catholic Church and the management of financial resources with ethical social, environmental and governance criteria” published by the CEI (Italian Episcopal Conference) in 2020. To guarantee its operation in this regard, ANIMA periodically sends its fund portfolios for review by Nummus.Info, an external, independent, specialised company, to certify compliance with the principles established by the CEI. In 2022 Nummus.Info issued a certification of compliance with CEI guidelines for all Sistema Comunitam funds;
- ▶ the Megatrend People funds, characterised by an investment policy focused on innovative companies able to take advantage of long-term structural trends, particularly in terms of demographics. The key focal points of the funds are the ageing population, evolving consumption models, and sustainability. The Megatrend funds are classified as SFDR Art. 8 products;
- ▶ funds with lock-up periods, which are characterised by a limited time period for the placement of funds, and a predetermined fund duration. Funds with lock-up periods offer investors the opportunity to invest in a diversified financial product with a thematic component that varies according to the market context. Individual investment themes are evaluated and selected based on market trends, Anima’s view, and the availability of indices and financial instruments that can be used to build portfolios that, over time, increase exposure to the chosen theme.

OUTLOOK

Anima's commitment to ESG is a constant and ongoing endeavour. The entry into force, in its various stages, of the European Sustainable Investment Regulation ¹² is helping to define a clearer landscape of the various possible solutions for integrating ESG factors into investment processes. Within this framework, and in its pursuit of the SDGs, Anima SGR is continuing its journey towards greater ESG integration, offering investors new strategies focused on climate action or other environmental and social factors, and providing increasingly specific and detailed forms of disclosure and reporting, with the aim of guiding investors towards increasingly ESG-conscious decisions.

¹² Regulation (EU) 2019/2088 of the European Parliament and of the Council of the EU on sustainability reporting and transparency in financial services, and Regulation (EU) 2020/852 of the European Parliament and of the Council of the EU establishing a framework to encourage sustainable investment and amending Regulation (EU) 2019/2088

