

## Website Disclosure ex art. 10 Reg. EU 2019/2088

### ANIMA Global Equity Value

#### Document versions

Date	Description
28 June 2022	First version
1 January 2023	Updated in accordance with Article 24 of Delegated Regulation (EU) 2022/1288

#### 1. Summary

Overall, this financial product promotes environmental and social characteristics, while limiting the weight of issuers with a poor ESG quality. More specifically, this financial product promotes the fight against climate change, the respect of human rights, the protection of human health and the protection of human well-being, through the exclusion of issuers involved in controversial activities or sectors. As far as the ESG quality of the financial product, its quality is monitored in order to avoid a high concentration of ESG lowly rated issuers; in particular, issuers are selected so that less than 15% of the financial product net assets are invested in ancillary liquid assets or in corporate or government issuers without an ESG Combined Score or with an ESG Combined Score below 25, on a scale from 0 to 100 (where 100 is the maximum/best), subject to a maximum limit of 10% of the financial product net assets for the latter, which must anyway comply with the exclusion criteria mentioned above. As a consequence, not less than 85% of the financial product assets are invested in issuers which are aligned with the environmental and social characteristics promoted by the financial product.

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 thematic.

The manager makes use of third party ESG data, which come from some of the most widely used and respected providers on the markets.

#### 1. Riassunto

Il prodotto in oggetto promuove caratteristiche ambientali e sociali e nel contempo limita il peso degli emittenti con una bassa qualità ESG. In particolare, il prodotto promuove la lotta al cambiamento climatico, il rispetto dei diritti umani, la protezione della salute e del benessere umani, attraverso l’esclusione di emittenti coinvolti in attività o settori controversi. Per quello che riguarda la qualità ESG del prodotto, essa è monitorata in modo da evitare un’elevata concentrazione di emittenti con punteggi ESG bassi; in particolare, gli emittenti sono selezionati in modo che meno del 15% degli asset del prodotto sia investito in strumenti ancillari di liquidità, o

in emittenti societari o governativi privi di un ESG Combined Score o con un ESG Combined Score inferiore a 25, in una scala da 0 a 100 (dove 100 è il massimo/migliore, fermo restando un limite del 10% per questi ultimi, che devono comunque rispettare i criteri di esclusione menzionati in precedenza. Quindi, almeno l'85% degli asset del prodotto è investito in emittenti che sono allineati alle caratteristiche ambientali e sociali promosse dal prodotto.

Anche se questo prodotto promuove solo caratteristiche ambientali e sociali, senza avere come obiettivo investimenti sostenibili, esso si impegna comunque ad investire almeno il 21% dei suoi asset in emittenti considerati sostenibili ai sensi della SFDR, alla luce di un algoritmo sviluppato internamente dal Gestore. Tali emittenti sostenibili superano un test di "buona governance", un test di buona qualità ambientale e sociale e un test "di non arrecare un danno significativo" ("do no significant harm", DNSH-test), a sua volta basato sugli indicatori relativi ai principali effetti negativi ("principal adverse impacts", PAI) e contribuiscono positivamente a tematiche ambientali e/o sociali.

Il Gestore si avvale di dati ESG di terzi, che provengono da alcuni fra i più usati e stimati fornitori presenti sul mercato.

## **1. Resumen**

En general, este producto financiero fomenta las características ambientales y sociales, al tiempo que limita la carga de emisores con una baja calidad ESG. Más concretamente, este producto financiero fomenta la lucha contra el cambio climático, el respeto a los derechos humanos, la protección de la salud y del bienestar de las personas mediante la exclusión de emisores implicados en actividades o sectores controvertidos.

En cuanto a la calidad ESG del producto financiero, esta se controla para evitar una alta concentración de emisores de baja calificación ESG; en particular, los emisores se seleccionan de modo que menos del 15 % de los activos netos del producto financiero se inviertan en activos líquidos auxiliares o en emisores corporativos o gubernamentales sin una puntuación combinada ESG o con una puntuación combinada ESG inferior a 25 utilizando una escala del 0 al 100 (en la que 100 equivale a la puntuación máxima/mejor), sujeto a un límite máximo del 10 % de los activos netos del producto financiero para este último, que debe cumplir con los criterios de exclusión mencionados. Como consecuencia, al menos el 85 % de los activos del producto financiero se invierten en emisores alineados con las características ambientales y sociales que promueve el producto financiero.

Si bien este producto financiero solo fomenta características ambientales y sociales y no tiene por objeto las inversiones sostenibles, se compromete a invertir al menos el 21 % de sus activos netos en emisores definidos como «SFDR» sostenibles según los criterios establecidos en un algoritmo desarrollado a nivel interno por el Administrador. Los emisores sostenibles pasan una prueba de «buena gobernanza», una prueba de buena calidad ambiental y social y una prueba de «no provoca daños significativos» (basada en los indicadores de «principales impactos adversos») y contribuyen positivamente a las temáticas ambientales o sociales.

El administrador hace uso de datos ESG de terceros que proceden de algunos de los proveedores más utilizados y respetados del mercado.

## **2. 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 4;
- pass the DNSH test, described below in this paragraph;
- pass a Good Governance test, which is set at the level of 25 out 100 for their G score;
- pass a general E and S test, which is set at the level of 25 out 100 for their E and S scores;
- contribute positively to at least one of the following three areas: Climate Transition, Environment or Society. Positive contribution is measured on the basis of issuers' involvement in certain initiatives or on the basis of best-in-class criteria related to specific environmental and/or social factors.

The assessment that issuers considered to be sustainable do not cause significant harm to other sustainable investment objectives is carried out on the basis of 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). In particular, 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 or the controversial weapons sector,
- 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 taking into account only Scope 1 and 2 emissions. It should also be noted that PAI 6 currently takes into account the sectoral classification provided by the provider Refinitiv as a proxy for the NACE classification required by the regulations.

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;
- inclusions based on the identification of positive contributions to climate, social or environmental objectives;

- 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;

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

### **3. Environmental or Social Characteristics of the financial product**

This financial product promotes 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.

### **4. 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:
  - the fight against climate change through the exclusion of corporate issuers involved in the production of thermal coal which accounts for more than 30% of their revenues,
  - the respect of human rights, through the exclusion of:
    - corporate issuers involved in the production of controversial weapons, which include anti-personnel land mines, cluster munitions, biological, chemical, blinding weapons, white phosphorus, nuclear armaments and which have mostly been banned by UN treaties,
    - countries sanctioned at the central government level by the UN for systematic violations of human rights,
  - the protection of human health, through the exclusion of issuers involved in the production of tobacco,
  - the protection of human well-being, through the exclusion of corporate issuers involved in the gambling sector.

The above exclusions are determined by the Manager based on the analysis carried out by

specialized third party index and ESG data providers, in particular:

- Urgewald for thermal coal,
- Vigeo for controversial weapons,
- Sustainalytics for countries sanctioned by UN for systematic violations of human rights,
- MSCI, ICE-BofA indices for identifying issuers involved in tobacco and gambling.

2. The ESG quality of the financial product portfolio is monitored in order 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). In particular, issuers are selected so that less than 10% of the financial product net assets are invested in corporate or government issuers without an ESG Combined Score or with an ESG Combined Score below 25, on a scale from 0 to 100 (where 100 is the maximum/best).

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

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

The overall ESG quality of the portfolio is monitored on a continuous basis and issuers with an ESG Combined Score lower than 25 are evaluated at each quarterly meeting of the ESG Committee of the Manager.

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

When considering good governance practices, the Manager follows an internal process in order to monitor the governance (G) scores provided by a third party ESG data provider as far as directly owned issuers are concerned. Those G scores are calculated on the basis of 56 sub-indicators that relate to Management Quality (35), Attention to Shareholders (12) and CSR Strategy (9), which take into account specific factors such as: management structures, employee relations, remuneration of staff and tax compliance.

## **5. 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 Combined Score higher than 25. Investments in any financial products classified as either Article 8 SFDR or Article 9 SFDR are also considered to be aligned with the environmental and social characteristics promoted by the financial product. As previously stated, the financial product invests at least 21% of its assets into issuers SFDR sustainable, as defined by an algorithm developed by the Manager. Those investments can either be environmentally or socially sustainable in variable proportions among themselves. The financial product has not a minimum target of environmentally sustainable investments aligned with the EU Taxonomy. Sustainable investments can either be pursued directly or through derivative

instruments. In this regard, the implementation of the ESG strategy of the financial product generally is not based on the use of derivative instruments with specific ESG characteristics, even though the use of such instruments is not forbidden. Also, the financial product may use derivative instruments to manage its risk/return profile.

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

The thresholds mentioned above hold unless market or other special conditions warrant a varied asset allocation (i.e. the 85% and 15% thresholds, whereas the 10% maximum threshold is not subject to variation).

## **6. 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.

## **7. Methodologies for Environmental or Social Characteristics**

As illustrated in the Investment Strategy section above, the environmental and social characteristics promoted by this financial product are attained through the application of exclusion criteria. Therefore, the methodologies used to measure that attainment refer to the involvement of investee issuers in controversial activities or sectors.

More specifically:

- the methodology used to identify countries sanctioned by the UN for violations of human rights is the one developed by Sustainalytics;
- the methodology used to identify corporate issuers directly involved in the production or sale of controversial weapons, banned by international treaties, is the one developed by Vigeo-Moody's;
- the methodology used to identify corporate issuers involved in production of thermal coal is the one developed by Urgenwald;
- the methodology used to identify companies operating in the tobacco and gambling sectors are those developed by MSCI (for equity issuers) and ICE (for bond issuers).

Further details on the analysis of the methodologies used can be found on the websites of the above-mentioned companies, whose professional skills are the main assurance on the quality of their ESG data.

## **8. Data Sources and Processing**

As illustrated in the Investment Strategy section above, the environmental and social characteristics promoted by this financial product are attained through the application of exclusion criteria. Therefore, the data, sourced from third party providers, used to measure that attainment reflect the involvement of investee issuers in controversial activities or sectors.

More specifically:

- the data used to identify countries sanctioned by the UN for violations of human rights are sourced from Sustainalytics;
- the data used to identify corporate issuers directly involved in the production or sale of controversial weapons, banned by international treaties, are sourced from Vigeo-Moody's;
- the data used to identify corporate issuers involved in production of thermal coal are sourced from Urgenwald;
- the data used to identify companies operating in the tobacco and gambling sectors are sourced from MSCI (for equity issuers) and ICE (for bond issuers).

Given that the above data are not quantitatively calculated, they are qualitatively assessed.

Data are managed and processed electronically, via informatic flows directly connecting third party providers with the Risk Management of the Asset Manager.

At the moment, the Manager doesn't use internally estimated ESG data. While the proportion of estimated data by third party providers is assumed not be large, an exact figure cannot be provided. It is reasonable though 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.

## **9. 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. Such limitations do not affect how the environmental and social characteristics promoted by this financial product are met, because the promotion of those characteristics is met through exclusion criteria, not based on ESG scores.

## **10. 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.

### **11. Engagement Policy**

With reference to active share ownership practices, the Manager, in addition to adhering to the Italian Stewardship Principles issued by Assogestioni on the basis of 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.

### **12. Designated Reference Benchmark**

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