

**CODE** 27

**OBJECT** **Engagement Policy**

<b>APPROVAL</b>	Board of Directors
<b>DATE OF APPROVAL</b>	June 30 <sup>th</sup> , 2022
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<b>VERSION</b>	02

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1	March 31 <sup>st</sup> , 2022	Board of Directors	
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**ART. 1 - PREAMBLE**

Directive (EU) 2017/828 (hereinafter "**SHRD II**") - transposed at national level into Legislative Decree no. 58/1998 (hereinafter "**TUF**") and by Consob Resolution no. 21623 into the Regolamento Emittenti - introduced new measures to encourage long-term shareholder engagement. Specifically, the SHRD II provides for transparency obligations to promote the *engagement* and long-term orientation of institutional investors and asset managers in investing in European listed companies and to ensure adequate information flows in the contractual relationship between asset managers and institutional investors.

To implement the regulatory changes introduced - in application of art. 124-quinquies of the TUF - Plenisfer Investments SGR S.p.A. (hereinafter the "**Company**") have to adopt, in its capacity as asset manager, the Engagement Policy (hereinafter, the "**Policy**"), which describes the ways in which it integrates the commitment as shareholder into its investment strategy. Specifically, the Policy describes how the Company "*monitors investee companies on relevant issues, including strategy, financial and non-financial performance as well as risks, capital structure, social and environmental impact and corporate governance, engages in dialogue with investee companies, exercises voting and other share-related rights, collaborates with other shareholders, communicates with relevant stakeholders of investee companies and manages current and potential conflicts of interest in relation to its engagement*".

This Policy have to define - in accordance with the provisions for the collective asset management service, art. 37 of Delegated Regulation (EU) no. 231/2013, to which art. 112 of the 2030 Intermediaries Regulation explicitly refers - the strategy for exercising the rights pertaining to the financial instruments pertaining to the managed assets in order to ensure, in an effective and adequate manner, that such rights are exercised in the exclusive interest of the UCITS and its participants and the clients of the asset management schemes.

In this regard, the Company, in application of Article 35-decies of the TUF and Article 112 of the Intermediaries Regulations adopted by Consob with resolution no. 20307 of 15 February 2018, has already adopted a policy for the exercise of rights pertaining to financial instruments pertaining to UCITS (hereinafter also the "**Proxy Voting Policy**"). The Proxy Voting Policy is based on the commitment to exercise the rights pertaining to financial instruments in a reasonable and responsible manner, in the sole interest of the subscribers, by identifying the general criteria to be follow in the exercise of voting rights in corporate meetings of the issuers of financial instruments held in the managed portfolios.

Therefore, based on the above, the Company intends to adopt its own "Engagement Policy" supplementing the existing "Proxy Voting Policy".

The Company has also adopted a methodology for the selection of financial instruments that considers environmental factors, social and governance factors (so-called "Environmental, Social and Governance factors" - ESG). The Company believes, in fact, that factors of environmental, social and corporate governance factors influence the performance of portfolios.

ESG criteria contribute to improving the ability to respond more effectively to the expectations of subscribers, aligning investment activities with the broader interests of issuers. The decision

to adopt an Engagement Policy does not therefore stem not only from the need to adhere to regulatory obligations, but is configured as a natural evolution of the Company's commitment towards greater sustainability, both financial and non-financial, of its investments, also in light of the light of the strengthening of the European regulatory framework on sustainability that with Regulation (EU) 2019/2088 (so-called SFDR - "Sustainable Finance Disclosure Regulation") introduces new disclosure duties for the SGR as well as constraints for the assessment and management of sustainability risks.

The Board of Directors of the Company is the corporate body responsible for approving this Policy, including any subsequent amendments that may be necessary.

The CEO is responsible for ensuring that the Policy is implemented and complied with.

#### **ARTICLE 2 - PURPOSE OF THE DOCUMENT**

The present document defines the operating procedures adopted by the Company to monitor the companies in which the assets managed by the Company itself are invested, to define the intervention strategy and the approach to *collective engagement* as well as to regulate the exercise of the voting rights inherent to the financial instruments pertaining to UCITS and managed portfolios.

This Policy therefore sets out measures and procedures for:

- monitor corporate events (corporate action);
- carry out intervention activities - so-called *engagement* - thus integrating its commitment into the investment strategy;
- ensure that voting rights are exercised in accordance with the investment objectives and policy of the fund concerned;
- prevent or manage any conflict of interest resulting from the exercise of voting rights.

#### **ARTICLE 3 - GENERAL PRINCIPLES**

The Company exercises the rights of intervention and voting, related to the assets it manages, in the exclusive interest of the Funds and Clients managed and their participants.

To create added value for its investors, it constantly monitors the companies it invests in and undertakes to maintain a relationship of comparison and collaboration with them, promoting the quality of the relationship and effectively addressing issues relating to company affairs.

To this end, in exercising the rights attached to the financial instruments pertaining to the managed funds, the Company:

- exercises its voting rights in complete autonomy and independence with respect to the companies controlling the Company and the other companies belonging to the Generali Group;
- may delegate, on single Meetings, specialized third party companies, giving explicit instructions for the exercise of the vote. If deemed the most efficient method in

the interest of the managed assets, the Company also reserves the right to use the "proxy voting" or the "electronic voting" possibly provided by the issuers.

The exercise of voting rights must always take place in an informed manner, based on information published by the companies invested in or by the media normally used, as well as of any analyses carried out by leading research companies specialised in proxy voting.

If the Company has received a delegation of management of a UCITS sub-fund, and the delegation provides for it, the Company may exercise the right to vote the financial instruments present in the delegated portfolios according to the rules defined in this Policy.

#### **ART. 4 - MONITORING OF ISSUERS**

The Company monitors the issuers in which it has an interest that meet the criteria of significance set forth in paragraph 6 below in order to identify problems in advance and protect the value of the assets it manages.

The monitoring activity focuses on economic / financial data, corporate governance issues and social and environmental impact and is carried out on an ongoing basis mainly through the receipt of information on the companies invested in, from info-providers used by the Company (e.g. Bloomberg, Refinitiv, Holt, etc.) and through the public sources, as well as by participating in and organising meetings with the companies themselves.

With reference to the UCIs established by the Company and to the portfolios managed under delegation by the Company, the Investment team continuously monitors the planning of ordinary and extraordinary shareholders' meetings of all companies issuing financial instruments included in such portfolios.

#### **ART. 5 - STRATEGIES AND METHODS OF INTERVENTION (ENGAGEMENT)**

The Company believes that regular interaction with the companies invested in is necessary and contributes to the creation of value and identifies some specific circumstances preparatory to an active intervention towards them.

The Company is committed to a constructive dialogue by promoting an interaction with the issuers object of the investment. The intervention activity may lead the Company to organize meetings with the management and the investor relations structures of the companies to be invested in, in order to deal with elements of specific interest or to obtain feedback on critical issues detected during the monitoring activity, such as, an income trend significantly worse than the sector to which the company belongs, proposals of extraordinary transactions that may alter the issuer's risk profile or substantially transform its business model, amendments to the by-laws that may affect shareholders' rights, and corporate governance issues related to social, environmental and governance issues.

This dialogue may be carried out individually by the Company or collectively through collaboration with other institutional investors. The methods of engagement are chosen based on the nature of the subject matter of the meeting and its relevance; the decision to proceed jointly with other investors, in cases of significant corporate events or events of public interest,

may also derive from the fact that individual action of dialogue with the corporate bodies of the issuer involved does not allow a satisfactory result to be achieved. This method of dialogue with companies is complementary to both the analysis of investments and the exercise of voting rights, as it allows specific governance, financial and sustainable issues of the companies to be addressed, avoiding, in the first instance, considering the disposal of the shareholding or security or voting against it. Engagement activities may be carried out periodically to promote and disseminate best practices or ad hoc to analyse a critical issue or discuss a dispute involving the issuer in which the shareholding is held.

The Company adopts a "targeted" approach that involves the selection of companies on which to focus *engagement* activities, taking into consideration:

- the usefulness of the interaction with respect to the interests of the assets under management;
- the possibility of influencing decisions in relation to the voting shares held or the share held in the bond issue.

The Company pays particular attention to the policies implemented by the companies in which it invests, in the belief that sound corporate governance policies and practices (incorporating environmental, social and governance issues) can create long-term value for shareholders.

The Company believes that environmental, social, and corporate governance factors affect the performance of companies and engagement activity helps to create awareness of sustainability risks and improve the companies' ability to manage these risks in order to respond more effectively to client / investor expectations, aligning investment activities with the broader interests of the Companies.

The *engagement* activity carried out by the Company on governance, financial and sustainability issues can be performed as follows:

- Awareness-raising: consists of meetings with companies in order to influence their practices through recommendations on specific issues identified as significant for their sector and type of business;
- monitoring: the objective is to take advantage of meetings with issuers in the portfolio to add data and information useful for the correct assessment of issuers;
- exercise of voting rights: this takes the form of participation in the shareholders' meetings of the investee companies in order to influence the main governance and strategic decisions, as set out in the following paragraph of this Policy.

*Engagement* activities are tracked by the management units and the Investment Committee holds a meeting focused on the Company's engagement activities at least quarterly. During such meetings, the Investment Structure provides information as to the engagement activities undertaken or planned with particular focus on any company specific topics raised during Investment Case or Portfolio Review meetings of Investment Committee.

Annually, the CEO informs the Board of Directors on how the Engagement Policy is implemented.

In the presence of privileged information regarding any issuing Company, the Company complies with the relevant provisions provided for by internal rules, laws and regulations.

**ART. 6 - PROCEDURE FOR EXERCISING VOTING RIGHTS**

If the Company becomes aware of the holding of an ordinary or extraordinary shareholders' meeting of a Company issuing a financial instrument present within the portfolios of the managed UCIs, the Investment Team concerned, assesses whether to participate in line with the Company's Proxy Voting Policy and always in the interests of the Funds and / or Portfolios it manages.

**ARTICLE 7 - CONFLICTS OF INTEREST**

The Company's "Conflict of Interest Management Policy" identifies among the situations in which conflicts of interest may arise the exercise of voting rights relating to financial instruments pertaining to the managed UCIs.

The Company, exercising the rights inherent to the financial instruments pertaining to the managed assets in the exclusive interest of the managed UCITS and client portfolios, abstains from voting in situations where there are known or recognisable potential conflicts of interest. More specifically employees of the Company who have been delegated to manage the portfolios of UCIs may not be members of the Board of Directors of companies whose financial instruments are present in the portfolios.

If the voting right relates to financial instruments issued by companies of the Generali Group or by companies with which the Company, its relevant shareholders or the companies of the Group have relations of a strategic nature, adequate controls shall be in place, such as periodic reporting on the voting decisions taken with adequate justification reported to the independent directors of the Company by the Head of the Compliance Function.

**ARTICLE 8 - TRANSPARENCY**

The Company publishes by 28 February each year on the Company website a report on how the Engagement Policy is implemented, including a description of *engagement* activities and voting behaviour.

Furthermore, the Company is committed towards Investors to ensure transparency on the actual manner in which voting rights have been exercised and, to this end, publishes in the UCITS reports, taking into account their relevance, information on the main meetings in which such rights have been exercised.

A summary of the Policy and details of the measures taken on the basis of these strategies are made available to investors upon request.



#### **ARTICLE 9 AMENDMENTS TO THE POLICY**

The Company will implement the application of the Policy following a flexible and proportional approach, based on qualitative and quantitative criteria. The Company, upon the proposal of the Investment Area, may integrate its monitoring, intervention and engagement activities, should this prove appropriate in order to broaden its engagement as a shareholder in the issuers in which it is involved.